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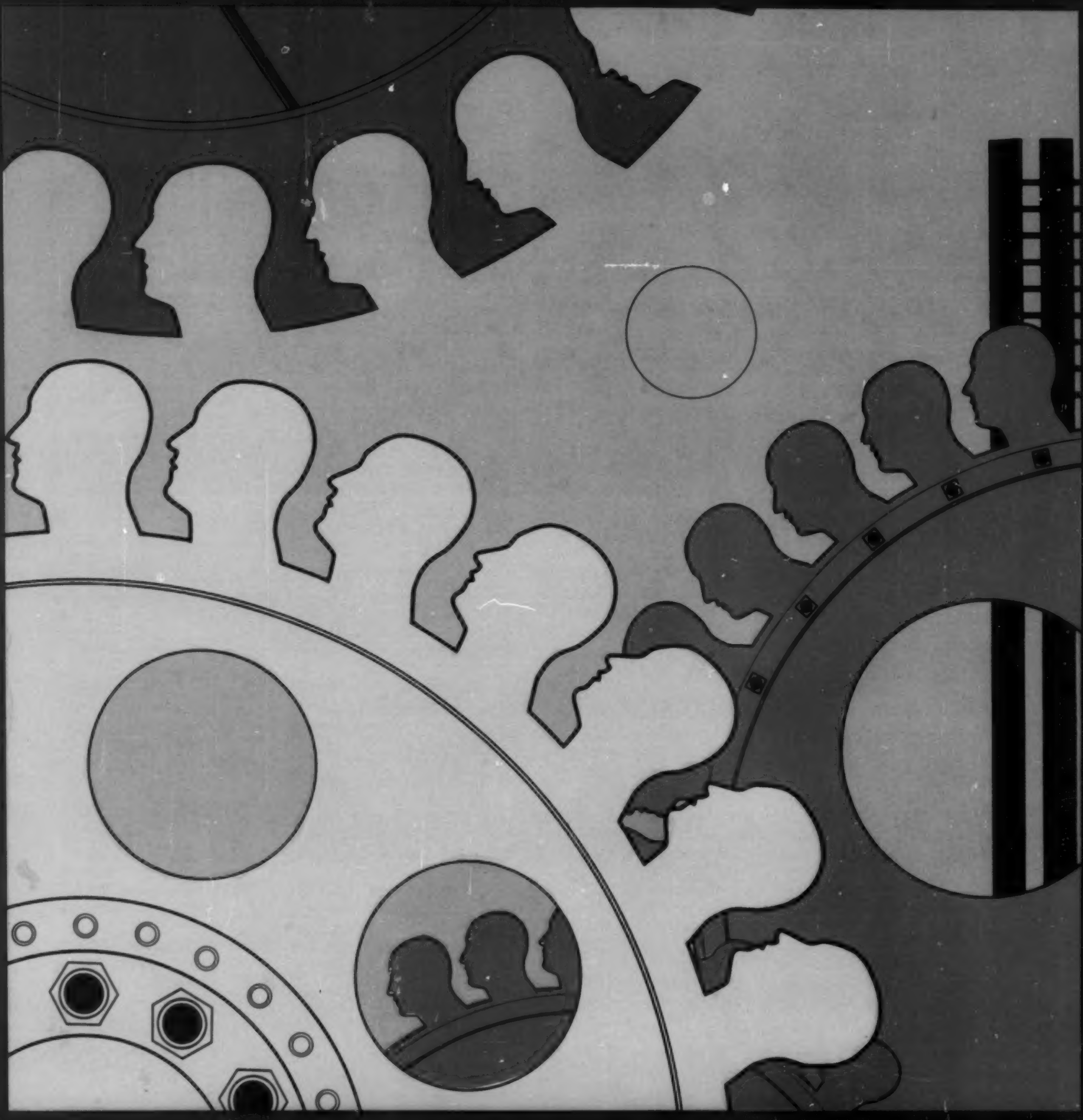
MANAGEMENT

Volume 1, No. 4 Summer 1980

The Quality Circles Program at Norfolk



Foreword

Some Private Perceptions on Public Management

A government career, like virtue, must often be its own reward. There is no Nobel or Pulitzer and there are few pats on the back for managing government well. Even with the institution of merit pay and other awards, it is unlikely that the world will note, much less remember, the many day-to-day achievements of public managers.

Though their accomplishments often remain anonymous, government managers operate in full public view; they can neither cover their failures nor advertise their successes. The Freedom of Information and Sunshine Acts allow very little to pass unobserved or unaccounted for; the laws on self-aggrandizement are clear. And in this skeptical time, the public often makes no distinction between elected and career officials, between passage of the law and administration of the law, between the exceptional bad apple and the unblemished rest of the barrel. The press, the public, and Congress appear to be our adversaries. (Agency heads are not usually called to the Hill for a rousing "Well done!"). And our institutionalized critics, the General Accounting Office and the internal Inspectors General, come with the territory.

These facts are not cited by way of apology, but they do define the environment in which we operate—an environment substantially different from private sector management. Wallace Sayre may have overstated the case, but not by much, when he said, "Indeed, business and public management possess many similarities, and all of them are trivial." This unique atmosphere puts a premium on being steadfast, thick-skinned, and flexible.

Though administrations change and policies alter direction, government must go forward. In this system of checks and balances, we must resist the attraction of short-term solutions and the temptation to do nothing. Daily, we have the opportunity to improve the quality of the programs we manage—to make substantive, consistent, and continuous contributions to the way this government is managed. It is at the operating level that policies are tested, refined, and evaluated. And we must function well in the heat of Harry Truman's kitchen.

Much has been made of the fact that government managers have no "bottom line" of profit and loss by which success can be measured. But a bottom line for government does exist. Goals can be set, deadlines established, and output measured. Hard decisions can be made and progress accomplished. The bottom line in government is not profits; it is performance. And it is that bottom line for which we are accountable to the public, the Congress and the President.

Alan K. Campbell

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QUALITY CIRCLES ZERO IN ON PRODUCTIVITY

AT THE NORFOLK NAVAL SHIPYARD

by Joe M. Law

Increased emphasis on worker participation in management decision making is spreading throughout the country as managers, concerned over decreasing productivity growth, look for methods to improve productivity and raise morale in their organizations.

The "Quality Circle Program," currently used by 65 American private sector companies (up from 15 a year ago, according to the *Wall Street Journal*), is working in several Government facilities, including the Norfolk Naval Shipyard, which is a pioneer among Federal installations instituting the quality circle technique.

Quality circles are small groups of workers who get together voluntarily on a regular basis to solve everyday work problems that cause frustration, hurt quality and hinder productivity. Participation is voluntary and meetings take place on company time. At the Norfolk Naval shipyard, Portsmouth, Virginia, there are nine circles, composed of from a dozen to twenty workers each. Circles engage the talents of machinists, electricians, riggers, engineering technicians and others. They meet once a week for an hour, accomplishing their regular week's work in the remaining 39 hours.

The idea of soliciting worker expertise is, of course, not new: witness the suggestion boxes installed—and often covered with dust—at many work sites. What the quality circles offer is a structured means of combining workers' practical experience with the analytical approach of the manager, and a formal channel for proposing solutions to management.

Norfolk's quality circles facilitator Duff Porter feels a key to the success of circles at the shipyard is that participation is voluntary for both managers and workers. The result is genuine enthusiasm, as well as growing appreciation and understanding among the people involved. "The workers are now convinced they have a respected means of contributing knowledge that can have a direct impact on their work life."

Well tested and widely travelled, the quality circle concept is actually coming back to its native land after being used very successfully in Japan. The Japanese economy, devastated by World War II, began a strong comeback after it began importing American management techniques. One approach perfected by Japanese managers actively involved workers in solving problems and improving techniques. Japan's success in blending worker initiatives, educated management and modern technologies spurred a growth in productivity that soon outran that of the United States. During the last 10 years, as America's productivity growth fell from a healthy 3.1 percent per year to 1.6 and then to a mere .4 percent in 1978, thoughtful people noted the changing relative positions of the two countries and began to ask questions. Discussions soon focused on the Japanese practice of using the talents of all employees.

Visiting Japan in 1973, Lockheed Missile and Space Company managers were impressed to learn that quality circles sometimes solved problems that baffled professional engineers. They saw that circles motivated employees by enriching their jobs, encouraging leadership, and increasing their sense of participation. And they noted that a successful quality circle program required strong top management support and the involvement of middle management and employees.

Following the visit, Lockheed became the first U.S. firm to adopt the quality circle concept. By the end of 1977, Lockheed estimated that the circles had saved $3 million, 6 times the cost of operating the circles. The number of defects caused by manufacturing process problems dropped 67 percent. And a survey of quality circle members showed improved morale and job satisfaction.

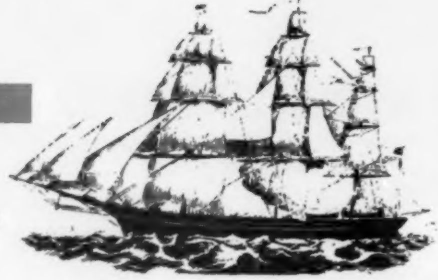
General Motors also began to try quality circles in several highly structured and controlled work situations involving assembly line operations, machine pacing, short work cycles, routine work, and sharp delineation of job jurisdictions. Experience with the program soon showed increased employee enthusiasm, noticed especially by lower level managers.

In addition to better morale, studies in both Japan and the United States have consistently shown the following advantages: improved communications at all levels up and down the line, a reduction in conflicts between employees and supervisors and management, improved quality and greater awareness of costs.

The quality circle concept has an added advantage in that it requires little or no change in existing organizational structures. The circle method is a relatively simple technique that can be used in any work situation. And both workers and management benefit when work-related problems are solved in the circle.

When the success of private industry quality circle programs came to the attention of Norfolk Naval Shipyard managers, shipyard commander Captain Alfred Kurzenhauser sent a study team to the Sperry Vickers plant at Jackson, Miss.

"Eight of us spent a total of three months checking out the program from all angles. We became highly impressed with it, particularly with the employee involvement and enthusiasm we found. We realized this was an exciting program with tremendous potential, and recommended that the shipyard establish a trial program," reports David B. Francis, head of the skills and technical development branch of the shipyard. Without quality circles, Francis notes, employees weren't often asked to help solve problems. Problem solving was regarded as management's job. As a result, he says, employees filled management's lap with problems rarely accompanied by solutions.



When the project was undertaken at Norfolk, whose 12,000 employees make it the second largest employer in Virginia, shipyard unions showed their support by filling positions on the steering committee that directs the program. Shop general foreman Duff Porter volunteered and was selected to serve as facilitator for the program soon after the pilot project was authorized. "Our approach is predicated on the basis that the resident experts are the people who do the work," Porter says. "If there are problems, they should know about them and they should have an incentive for solving those problems and improving the quality of their work life. Time has proved us right. We also realize that the biggest expense today is for labor and it makes sense to reap from workers' brains as well as their bodies."

Deciding against aiming for quantity and quick results from the project, the shipyard emphasized quality in its circles while carefully forming foundations intended to support solid, long term results. The program was limited to nine circles during the trial year, with each solely on a volunteer basis. Eight hours were spent training each circle, including briefing members on how the circles would work and describing procedures used to solve problems and to present proposed solutions to management.

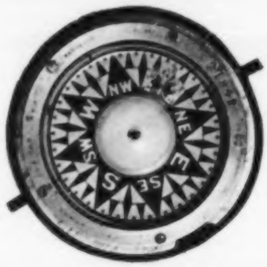
Ground Rules include:

- *forming each circle from an individual work place*
- *involving a supervisor as circle leader*
- *starting meetings on time*
- *limiting sessions to one hour a week*
- *working only on problems within a circle's work place*
- *concentrating on one problem at a time*
- *ensuring that every member has a chance to contribute and participate*

"Personality problems are off limits," says David Francis. "And we don't get into staffing and other management areas." Another rule is that there will be no criticism or ridicule from circle members to any member's problem-solving suggestions. Porter notes that it's the quiet introvert in a circle who's likely to come up with a solution.

Each circle identifies its own problems, establishing their order of priority. After exploring ways to analyze and measure the problem, they discuss and evaluate proposed solutions. If technical expertise outside the skills of a circle's members is needed, members can get outside

advice and assistance. Although sessions are limited to an hour, employee enthusiasm is such that members often carry circle projects home so they can spend extra time on them. When the project is complete, circles make formal presentations of their proposed solution to management.



"I like the quality circle approach," says machinist Ray Stone. "If one or two people complain about a problem or offer a solution, nobody listens. But when you hand management a package deal, everybody listens." Stone's group, the Solution Seekers, came up with a $225 solution to their first problem—standing in long lines to get tools. First, the circle verified for management that there was a real problem: they showed that there was an average wait of 12 minutes at three different windows, with each using a different computer to keep track of only its own tools. The waiting was sometimes compounded when workers had to go from one window to another, each time going to the back of the line. The circle's solution was to hand out all tools at all windows, using only one computer. The $225 paid for signs that went up at the three windows, explaining the new policy. The new system cut the waiting time to five minutes, a survey showed, with a resulting savings of $206,949. This one saving paid the costs of the entire quality circle program in the shipyard four times over.

"If you can save him $200,000, the boss just has to get with the program," says circle member Troy Anderson.

Charles Trull, a shop supervisor who leads the Solution Seekers circle, agrees: "Any suggestions that definitely justify changes, I think will be accepted. I saw a lot of possibilities for a quality circle and it has done a lot of good for my shop. It makes my job easier. If you're not getting input from your employees, you'll be trying to manage the outfit on your own and may only look out for your own interest."

For every dollar invested, quality circles have saved the Norfolk Naval Shipyard $3.75. The net savings, after deducting all costs of operating the program, including staff time and travel, were $150,000 in the first year.

More than 30 organizations, both in government and the private sector, have come to the shipyard for information on its quality circles program. Captain Kurzenhauser feels that all industry ought to use the program: "The quality circle concept is easily the most exciting and least costly idea for improving productivity to come along in 20 years."

"Managers who are aware that slumping productivity is a matter of great concern all across the nation are the ones most likely to be out in front in the programs," says Duff Porter. "These are the people who are most likely to be permitting, and even leading, their workers to take part."

Next year the Norfolk program will increase from nine to 36 circles, expanding into administration, planning and estimating and submarine production.

Joe M. Law is a Public Affairs Officer at Norfolk Naval Shipyard, Portsmouth, Virginia.

WHAT IS TOTAL COMPENSATION COMPARABILITY?

All survey information available to the Federal government indicates that benefits are an increasingly important part of both Federal and non-Federal employees' compensation. Over 30 percent of the cost of compensation for Federal employees now goes for benefits. In the private sector, surveys have shown that benefits costs range from something less than the Federal figure to something considerably higher. From two points of view—their value to employees and their costs to employers—benefits can no longer be disregarded in the comparability process.

by Barry E. Shapiro

Since Congress in 1962 established comparability as the guide for the Federal pay system, the principle of setting Federal pay on the basis of comparability with pay in the private sector has proved to be a sound one. It is equitable to taxpayers and Federal employees alike, and it has enabled the Federal government to compete fairly in the labor market for well-qualified employees.

Yet there have been problems with the way this principle has been implemented that damage the pay system's credibility and detract from the flexibility necessary for any effective management tool. Not least among the shortcomings of the comparability system is the exclusion of benefits from the measurement and adjustment process.

It is well-known in the private sector that pay and benefits together, not just pay alone, make up the total cost of compensating employees. Premiums for health and life insurance, contributions to a retirement fund, and paid time off cost the employer money, and are recognized as costs of labor. This is particularly true of those costs that are obvious at the time an employee is hired—the employer's share of insurance premiums, for example. In some cases, however, the long-range costs have been underestimated. Retirement benefits, in particular, have been poorly reckoned; hence, the financing requirements imposed under the Employee Retirement Income Security Act.

In the public sector, where there is no access to the so-called "bottom line" or profit/loss statement, it has been relatively easy to misunderstand and underestimate the true costs of benefits. Under the principle of comparability, changes in Federal pay rates affect the cost to the Government and the value to the employee of various elements of the benefits portion of the total compensation package—and these elements themselves are occasionally changed by the Congress. But no formal evaluation is made of the combined value of pay and benefits when changes are made in any part of the total compensation package. And no consideration is given to the interrelationships of pay and benefits received either by Federal employees or by non-Federal employees covered by pay surveys. There is neither a statutory policy to guide Federal employee benefits program determinations nor a systematic administration process for evaluating and adjusting benefits provisions.

The Administration has pending before Congress a legislative proposal to deal with the current fragmented approach to Federal employee compensation. The proposed Federal Employees Compensation Reform Act (S. 1340 and H.R. 4477) would, among other things, replace the current pay comparability system with a total compensation comparability system. Under the proposed system, the combination of pay and benefits for Federal employees would be comparable to the combination of pay and benefits provided to non-Federal employees doing similar work.

The concept of total compensation comparability for the Federal service is not new. Prior to enactment of the Federal Salary Reform Act of 1962, the Bureau of the Budget (now OMB) considered an approach to salary comparability that would have included evaluation of benefits. Because a sophisticated method for evaluating employee benefits was not then available, basic pay was selected as the only element in the comparability process. The following study groups subsequently recommended that pay and benefits be evaluated together: the 1965 Special Panel on Federal Salaries; the 1966 Cabinet Committee on Federal Staff Retirement Systems; the General Accounting Office in a 1975 report to the Congress; the 1975 Report of the President's Panel on Federal Compensation; the 1977-78 President's Personnel Management Project; and the Advisory Committee on Federal Pay in a 1979 report.

While the idea that a Federal employee's total compensation should be comparable to a non-Federal employee's total compensation sounds rather simple, introducing benefits into a comparability program is complicated. Implementation of a total compensation comparability program can vary according to what items of compensation are included, the kind of benefit evaluation used, and whether pay and benefits are treated separately or as an integrated whole.

What items of compensation would the Federal government include under total compensation comparability? The proposed bill does not include a laundry list of covered items, but has a general, rather all-inclusive definition. In addition to pay, total compensation includes all entitlements provided by an employer in exchange for work by an employee that have a value—direct or indirect, immediate or deferred—to the employee. For the purposes of Federal total compensation, the President will designate the benefits that will be included in a particular year's total compensation survey and adjustment. Initially, the benefits included in total compensation will be retirement, health and life insurance, annual and sick leave, and paid holidays. Other benefits, like savings and thrift plans, are being studied for future inclusion. While there will probably be some benefits (employee discounts, for example) that will never be included because of technical problems in collecting and analyzing data, there really are no benefits that are not covered by the concept of total compensation comparability; there are only those *not yet* covered.

The method used for comparing the value of benefits is also significant in designing a total compensation comparability system. There are two principal methods available for this purpose: the cost-of-benefits approach and the level-of-benefits approach. If the Government were to use a costs-of-benefits approach, it would simply collect information from non-Federal employers on how much money they spend to provide benefits to their employees and compare this to the money Uncle Sam spends for similar benefits. Many independent organizations, including the U.S. Chamber of

Commerce, use this method to measure trends in employee benefits. Such surveys clearly show the growing importance of benefits in employee compensation, but the cost-of-benefits method's usefulness for achieving total compensation comparability is questionable. Because only employer *costs* are compared, there is no way of determining the amount, degree, or quality of the benefits being purchased.

In level-of-benefit comparisons, by contrast, the actual benefits provided to employees are compared and evaluated. By this method, the face values of life insurance policies provided to employees are compared, rather than the employer's expenditures for premiums. The possibility that equal insurance benefits might cost one employer more or less than they cost another is not a factor in this evaluation process because the actual expenditures are not considered. All benefit programs, Federal and non-Federal, can be evaluated in this way. Differences resulting from such factors as funding, use, and workforce characteristics are not considered.

The Administration plans to use a method called "standardized cost," which is a level-of-benefits method. Information on actual non-Federal benefits programs, most of which will be collected by the Bureau of Labor Statistics, will be analyzed to determine what it would cost the Federal Government to provide those benefits to Federal employees. A similar analysis will be made of the cost of providing existing Federal benefits. The standardized cost method allows both pay and benefits to be expressed in terms of a common measurement standard (dollars) and cancels out any differences in benefits costs that result from differences in workforce characteristics or employer funding practices. It is important to remember that this method measures the true actuarial cost or value of the benefits, not how much the Federal Government spends for them in any given year. In any given year, the "cost" of benefits may be more or less than that year's "expenditures" for them.

Another major consideration in designing a total compensation comparability system is whether pay and benefits will be compared and adjusted separately or as an integrated whole. The proposed bill provides for pay and benefits to be dealt with as a whole. The combined value of non-Federal pay and benefits will be compared to the combined value of Federal pay and benefits—to determine the adjustment required to achieve total compensation comparability. While it will certainly be possible to compare Federal pay to non-Federal pay and each Federal benefit to its corresponding non-Federal benefit, the proposed bill does not require this. Rather, the determination as to which parts of the total Federal compensation package ought to be adjusted will be arrived at by careful consideration of both management needs and employee preferences.

What does all this mean for the Federal compensation program? As stated earlier, initially pay plus the six major benefits (retirement, health and life insurance, annual and sick leave, and paid holidays), representing probably ninety percent or more of most employers' benefits programs, will be covered by total compensation comparability. Also, the initial adjustment will probably be of pay only. Eventually, it will be possible to evaluate and adjust individual benefits. Once the total standardized cost of total compensation is determined, decisions on allocating comparability increases to each element—pay or one or more benefits—can be made on the merits of the specific changes; the standardized cost of the total compensation package is not increased.

Procedurally, total compensation comparability will operate much the same way pay comparability operates. The President's Agent will oversee the conduct of a pay and benefits survey by the Bureau of Labor Statistics. (If necessary and appropriate, the President could designate other sources of data to be used.) The survey coverage and analysis of its results will be determined by the Agent in consultation with the Federal Employees Compensation Council. In making a total compensation comparability adjustment, the President will have both his Agent's recommendation and the recommendation of the Advisory Committee on Federal Compensation.

If the President decides to apply the entire amount of the required total compensation adjustment to pay, he will do so by Executive Order as he now does for making pay comparability adjustments. If, however, he proposes to change any benefit provisions—for example, by increasing the Government's share of health or life insurance premiums—he will have to submit a proposed benefits adjustment plan to the Congress. If a majority of both Houses of Congress votes against the benefit adjustment plan, the President can veto this action, in which case a two-thirds vote of each House will be required to override the plan.

The President will not be able to adjust retirement benefits this way. Retirement will be included in the total compensation comparison, but any proposed changes would have to be through legislation.

As with the current pay comparability system, the President will be able to submit an alternative plan to the Congress if he believes full total compensation comparability is not appropriate because of "national emergency or economic conditions affecting the general welfare." Congress can override such an alternative plan by following a procedure similar to that for overriding a proposed benefit adjustment plan.

While implementation of total compensation comparability is expected to produce significant cost savings for the Government, its real purposes are to enhance the credibility of a now narrowly-defined comparability system, and to enable Federal managers to deal more objectively with a complex compensation program.

Barry E. Shapiro is Assistant Director, Office of Pay and Benefits Policy, Compensation Group, OPM.

PUBLIC INFORMATION IN GOVERNMENT:

SOME CONTRASTING VIEWS

The importance of public affairs offices grows virtually daily as the demands of both specialized press and the mass media increase. More questions are raised, more answers required. As a result, there are about 2,900 Federal employees who are public information specialists (GS-1081), another 2,178 who are writer-editors (GS-1082), and many others who perform information functions, regardless of their job descriptions.

What is their proper role? How do they relate to program managers? Should they enter into the policy making process? If so, where? With these and other questions in mind, *Management* talked with several current or past public affairs specialists, each with a different background and view.

What they agree on, above all else, is that the public has the right to know the truth. Public information specialists are there because of two parallel, inevitable pressures: first, because program managers both need and want to inform the public of what is being accomplished; second, because there is a wider spectrum of media than ever before, insisting that answers and explanations be given more quickly and more completely than ever before. Excerpts from the interviews follow.

Eileen Shanahan *is a native Washingtonian, a daughter of a career civil servant. She was raised with the view of Federal employment as a privilege and special responsibility. She has worked for the United Press, the* Journal of Commerce, *and as "head flack" (the description is hers) of the Treasury Department Tax Division under Secretary Douglas Dillon during the Kennedy Administration. From there she went to the Washington Bureau of the* New York Times *as its economics reporter. After 14 years at the* Times, *she served for two and a half years as Assistant Secretary for Public Affairs at HEW when Joseph A. Califano, Jr. was the Secretary, and is now Senior Assistant Managing editor of the* Washington Star *newspaper.*

Q. You've seen government public affairs from both sides as reporter and government spokesman. What advice do you have for government people who deal with the press?

A. Rule No. 1 is, Don't lie. Rule No. 2 is, Don't mislead. I can tell you who lied to me twenty years ago and so can any journalist. The press accepts the idea that it's perfectly OK to put your best foot forward . . . to accentuate the positives and maybe not to tell the negative unless asked. That's within the rules. But to lie or to misrepresent is unacceptable.

Q. What do you mean by misrepresent?

A: Mislead may be a better word. A lot of people fill you with facts that are irrelevant. Before I took the HEW job, I talked to four or five people with government PR experience. Bill Greener who was at HUD and Commerce and in the Ford White House gave me the best, most useful advice. One thing he said was to lay down the law to your people that you don't want any "35 miles from Baltimore" answers.

Q. Meaning?

A. If I tell you, "It's 35 miles from Baltimore to my office and I drive to work every morning in eighteen minutes," both of the facts are true; but it certainly is misleading if I don't live in Baltimore. I remember as a journalist challenging Ron Ziegler (a former White House Press secretary) on something and he gleefully showed me a tiny little loophole he had left himself to leave a wrong impression without telling an absolute lie. You can get a bad reputation for that kind of trick and you deserve it.

Q. How good is the press in judging the people in government with whom they deal?

A. I think the press is hardly ever wrong in the judgment of who's smart and who's dumb, who's a hard worker and who isn't.

I thing the press is often wrong about who is a nice person or is really an SOB. Some people are smooth and clever with the press and reporters think they're good people when they're not. Others are shy and uncertain . . . maybe have never dealt with the press before and the press thinks they are terrible when they are not.

Q. Let's shift ground. How important is public affairs to government agencies? Is its role increasing?

A. Of course, it is importar'. Today, you have to think about a much more complex array of press than you used to. Twenty or thirty years ago, you were mainly concerned with the daily print press. Now, on one hand there is the TV demanding that a story be told in three sentences for a mass audience, and on the other, specialized trade publications that can be enormously knowledgeable, but also, some of them, enormously unfair.

Q. Has government public affairs slipped into public relations, despite the law?

A. I think there are certain things you do not do and there are things I learned to be careful about. You don't contact members of Congress unless they initially contact you.

But of course the government engages in what, by any reasonable definition, would have to be called PR. At its best, it is a matter of explaining things that people want explained, whether it is a legislative proposal or regulation, or investigation or whatever it is.

The public has the right to know, not just through its own efforts, but to have information put out there on the table where they can see it. The world's too complicated to operate any other way.

Q. Do you think it is wrong for the PR people to serve as advocates for their agencies' policies and programs?

A. I think inevitably you serve as an advocate. It is a question of honest advocacy. If an agency is putting out a paper that explains a legislative proposal, inevitably it suggests the proposal is a good idea and says why it is a good idea. If it was a bad idea, they would be doing something else.

I am not personally concerned about an army of government public affairs people. There may be some short-term manipulation. If the press is lazy, it gives the PR advocate an advantage. Some members of the press can be damned lazy. But that isn't the fault of government.

Q. Do you think Public Affairs should be involved in early stages of policy making?

A. Every stage. Right from the beginning. Joe Califano understood that and I think that's one of the reasons for his success at HEW. He understood that the public affairs people bring a special breadth of knowledge and a special point of view to policy discussions. Not too many top officials do understand that, judging by the complaints I used to hear from my colleagues in other Departments.

Q. Should the average manager feel comfortable talking to the press or should they always go through the public affairs office?

A. I'll tell you what I think is the optimal way. Any operating official who feels comfortable talking to the press ought to. But officials would be wiser not to take press calls right on the spot. Try to get your secretary to find out what the reporter wants. Most press will tell you.

Then get your PR person in there and if the reporter has told you what he or she wants, well, set whatever wheels in motion you need to answer their questions. There's no reason not to make news. A press inquiry is a perfectly good time to decide what you think about something.

If you don't know what the reporter wants, get your PR person in to help you guess what the press does want. But don't just answer the questions. Think about what *you* want to say that the reporter might be interested in. What is the message you want to get across? Then talk to the reporter.

Q. Do you have any feelings about career civil servants and their working relationships with appointees coming in from outside Government?

A. I had eight key jobs in that office at HEW and ultimately had six of them filled with civil servants, five of them to my total satisfaction. But only two of them were in the same jobs when I got there. I think the outsider problem is not that great for someone like me who has been in Washington all my life and worked as a journalist and knew a lot of the elementary things, at least. There were a lot of things that I didn't know and one of the worst mistakes I made, and I think most new people coming into Government do, is thinking, "Oh, that civil service junk. To hell with that, I'll let somebody else do that. I haven't got time to understand that. It's policy and programs I care about." Well, it took me about a year to realize that meant I had handcuffed myself in dealing with personnel problems and dealing with the personnel people, who will show you how to stretch the rules sometimes to hire the people you want to hire but will never help you get rid of even a total incompetent.

Q. How would you define your Department of Public Affairs role?

A. One wag has said that we used to give out seeds and now we give out information. Our Department's enabling act says we are here to provide information. We are public information specialists, not public relations people. I feel that an information division should be the public's advocate—not a political party advocate, not a program advocate, not even a department advocate.

Q. What about your own role as director? Advocate or information giver?

A. Both roles work together. I need to initiate the development of information and also provide it when asked for it. I feel that I am as much a journalist as the guy on the *Washington Post* or the *Washington Star*. I realize reporters don't look at me that way, but I want everything we put out to be clean enough that they will accept it as being as unbiased as possible. Their perception of me as an objective "reporter" is important.

Q. How do you maintain enough control to reach for that quality?

A. We run a very centralized operation. All press releases, all radio materials, all television materials, all publications must come through this office before they're issued. We call that "coordination" rather than control.

To keep coordinated, we meet weekly with the 17 agency directors of public information and with others regularly. We believe that the best way to communicate with people is to do just that. We are a big department with a lot of people and we must have a lot of give and take to maintain quality.

Hal Taylor *is Director of Public Affairs at the Department of Agriculture. For over 30 years, he has worked or taught at land-grant colleges—Ohio State, Michigan State, University of Wyoming, Texas A & M—in the information field or worked at the Department of Agriculture. He joined Agriculture in 1960 when Ezra Taft Benson was Secretary and has worked under five additional Secretaries—Orville Freeman, Clifford Hardin, Earl Butz, Jack Knebel and Bob Bergland.*

Q. It's been almost 20 years since you first came to Washington. What kind of changes have you noticed?

A. The demand from the outside for information and the pressure from the inside to disseminate information is far, far greater today than before. For example, we produce 3,000 radio tapes a week, a weekly, half-hour television show, and about one film per week for use on local television news stations. And we develop and distribute 150,000 to 200,000 copies daily of publications totaling 50 million or so copies a year. We also handle up to 1,000 letters each day and field more than 9,000 telephone calls. And we also issue thousands of press releases each year—too many probably, but we feel people need to know what we're doing.

We do more than $25 million worth of printing in this department . . . about $10 million in forms for gathering information, about $15 milion for publications. We are barely able to keep up with the internal pressure for distribution of information, and the demand from specialized press, the regular press, the broadcast media, and special interest groups is virtually overwhelming.

Q. Any other changes?

A. The audience for our material is different and that means their interests are also different. That means, too, we use different methods of distribution. Farmers only account for about 4% of the population today so that publications and information on what to grow and how to grow it, on farm prices, markets and forecasts, while still our basic responsibility, are now only a part of our obligation.

More than ever we have to explain what we are doing so the 96% of the population who are not actively engaged in farming understand us and also benefit from our programs, and we have to do that

through the non-agricultural media.

People today want to know about nutrition and food stamps, food safety, food quality, and consumer affairs. They're all greatly interested in the environment and in conservation. These interests create quite different demands on our department today.

Q. What are your major problems in meeting that kind of demand?

A. My answer is biased, of course! Information invariably gets the short end of the stick in terms of funding, personnel, and program activities. The choices are simple: Either we get more information people, sharpen up the ones we've got, train non-information people in what to do, or we have to stop putting out so damned much stuff. The fact is that there are already too many people trying to do information work who are neither trained for it nor in public information jobs. These are frustrations I have. We're trying to solve them by being more efficient, abolishing duplications, planning better, setting priorities, making adjustments in how we assign the people we've got. But all these are slow processes. I get very impatient, I'm sorry to say, about our progress.

Q. Have you ever been subjected to political pressures that you thought violated your career civil service obligations?

A. Not frequently, but on a couple of occasions. In one administration, it was suggested that we put the president's picture on every publication. On other occasions, we have been asked to do something that helped in a campaign.

In every case, we stood up for what the law says . . . no aggrandizement of individuals, no political activity . . . and we won. Political people are not difficult once you get their respect, and you get that respect when you know the law and stand up for it. And, once they see what we can do professionally, they frequently are our best supporters. We simply have to understand each other's role.

Q. How do you learn what the policies are for an administration?

A. Again, through talk and listening—through communication. I attend the Secretary's staff meetings which are held every other day. Each day I meet with the Assistant Secretary for Public Affairs and his other directors. I meet regularly with my own assistants, who keep daily and weekly logs of priority jobs. I share this information with others with whom I meet. And, of course, I get massive amounts of memos, clippings, reports, and directives. I may not read everything, but I certainly look at it all and table it for future reading or thought.

Q. Have you developed any new ways to get information to the public?

A. Probably it's best to say that we've developed new approaches to old methods. For instance, many of today's problems require trade-offs for solution or at least to break some of the absolute positions people develop on certain issues. One of the things we have done has been to produce what we call "issue briefing papers" to provide background—pro and con—on significant matters that affect both the Department's programs and the public. We send them to op ed editors, writers, officials of special interest groups, and they've been received very well.

Q. Any other ways?

A. Well, some years ago we established a unit of writers and gave them specific subject matter areas to work in. Then when we anticipated problems, those folks would write papers or special publications on a crash basis. The unit gradually evolved into one that dealt with about five major program ideas—farmers' contributions to the national economy, better nutrition, better living, a more satisfying environment, and world food supplies. Much of the material produced now goes to schools, consumer organizations—groups we'd never reached before.

Joe Laitin *first came to Washington almost 40 years ago as a young wire service reporter. Since then he has been a war correspondent, an economics reporter, a campaign aid to Averill Harriman and Adlai Stevenson, a weekly newspaper editor in Arizona (for six weeks), and a free-lance writer in Hollywood for ten years. Since 1963, he has served in various government agencies in Washington: at the old Bureau of the Budget (now OMB) under President Kennedy, as Deputy Press Secretary to the President (under Lyndon Johnson), again at Budget under Richard Nixon, later as Assistant Secretary of Defense (until fired by President Ford along with his boss, James Schlesinger) and as Assistant Administrator of the FAA (under Ford), and as Assistant Secretary of the Treasury since 1976 (under Carter). He also served as Director of Information for a number of Presidential Commissions.*

It is not true, as some people suggest looking at this resume, that there are two or three Joe Laitins. He is singular.

I am frequently asked how to handle difficult public affairs situations. I don't have a check list, like an airline pilot for his pre-takeoff and prelanding ritual, because every situation has to be dealt with as a separate problem. There are no pat answers. In an emergency, I have no emergency procedures for the simple reason that every emergency has a different character and a different cast of players. I mention this because as a practitioner of a very imprecise art, I have no tablets of stone to hand down. I suggest only that government information people sensitize their fingertips to the problems of dealing with the public. They are there to be served.

Laitin's Laws

(As created, stolen, or adopted)

1. When in doubt, put it out—consistent with national security, of course.

2. A government public affairs officer is humble.*

3. A good government information man caters to the press. He does not pander to the press.

4. The public has the right to know. While we all have pressures sometimes to tell something less than the whole story, we also have a bounden duty to provide the facts. It is not always easy.

5. There is quite a difference between an open door policy on information and an open mouth policy. You cannot run a government, or a business for that matter, by blabbing the truth in every detail.

6. There should be an adversary relationship between the government and the news media. This can be and often is a healthy relationship.

7. During the seventies, too many news media people considered a government official guilty until he proved himself innocent.

8. In the old days, idealistic journalists carried the torch of truth; now they carry a blow torch.

9. Bad news does not get better with age. Put it out when you get it.

10. Is a lie ever justified? I don't know how to honestly answer that question—but if I ever did lie, I know it would be to save somebody's life, not to save somebody's skin.

**One incident that always serves to remind me of my proper place—a servant of the people, if you will—occurred when I was Deputy Press Secretary to President Johnson.*

The White House switchboard put a call through to me from UPI. It was 4 a.m. The UPI desk man had a rather routine question and I snarled, "Helen Thomas (White House UPI correspondent) could have answered that question for you."

"I know," he said, "but I wouldn't dare call Helen Thomas at this hour."

EMPLOYEES, SUPERVISORS DON'T AGREE:

WHAT REALLY MOTIVATES WORKERS?

by Richard E. Wasiniak

In 1959 Frederick Herzberg published *The Motivation to Work*. Three years later David C. McClelland wrote an article for the *Harvard Business Review* entitled "Business Drive and National Achievement." Both works were milestones in the study of worker motivation. Both reported evidence that achievement is the primary motivator in the working world—not status, job security, working conditions, or even profit.

Nearly 20 years after Herzberg's publication, I felt it would be valuable to take a look at motivation in the Social Security Administration, to see whether things had changed since Herzberg's revelations of 1959. I was also interested in determining the role that first-line supervisors play in motivating their subordinates.

Between March and August 1978, I was able to secure information on motivators from 75 first-line supervisors and 100 subordinates in one of ten SSA regions. Respondents were selected at random from groups of field office employees and first-line supervisors and information was secured through two questionnaires, one for each group.

Most of the survey questions evolved from these five:

1. What motivates non-supervisory employees to do a good job?
2. To what extent are first-line supervisors aware of these motivators?
3. Are there any significant differences in employee motivators according to age, sex, or length of time on the job?
4. How much control do first-line supervisors maintain over these motivators?
5. How much control do first-line supervisors think they maintain over these motivators?

Conclusions

1 The results of the study support the findings of McClelland and Herzberg. The desire to achieve is by far the primary motivator of employees. In fact, 96% feel they are highly motivated from "the feeling of achievement you get from doing challenging work well," while 94% are highly motivated by "your inner need to always try to do a good job."

Out of 20 motivators, employees ranked achievement-oriented motivators highest, followed by those that were recognition-oriented. Last on the list were: "Feelings of loyalty and friendship for your supervisor" (18th); "Being appointed the leader of a work group" (19th); and "The possibility of disciplinary action by your supervisor" (20th).

2 There is no significant difference in the top motivators of employees according to age, sex, and length of time in their current positions. Achievement is the top motivator in each group, followed by recognition.

3 First-line supervisors as a group do not have a good understanding of factors that motivate their employees; they tend to underrate the achievement motive and overrate the recognition motive. They also tend to drastically underrate their employees' desires to help the agency reach its goals.

Supervisors seem to see employees as more externally motivated than they really are, heavily overrating the power of such motivators as peer recognition, the annual performance appraisal, work group membership, and disciplinary action.

4 Presently, our supervisors do not have very much control over the strongest employee motivators. In fact, they have significantly less control than they think they have and probably much less than they could have.

On a scale of 1 to 5, with 1 representing "no influence" and 5 representing "almost complete control," employees rated the degree of influence they believed their supervisors had over their top motivators. Employee responses averaged 2.55, or someplace between "very little influence" and "some influence."

Supervisors, on the other hand, believed they maintained much more control over those factors that motivated their employees. Supervisors rated themselves at 3.32, between "some influence" and "a great deal of influence."

5 We need to learn more about the achievement motive. For instance, to what extent are external motivators such as salary, promotion, and group leadership actually symbols of "achievement" to the achievement-motivated employee? Why is the achievement motive so dominating? Can the achievement motive be taught, as many researchers believe? How can supervisors learn to motivate their employees through the achievement factor?

6 The ultimate conclusion is obvious. At present, our supervisors, as a group, understand very little about employee motivation. As a result, the agency may have difficulty reaching its goals unless first-line supervisors understand how and why their employees become motivated to do a job.

Given their apparent lack of understanding, asking supervisors to motivate employees is like asking a person who knows very little about cars to fix one—without even a repair manual. We are asking our supervisors to learn by trial and error. And according to this study, there has been a great deal more error than we can afford to accept.

For the most part, first-line supervisors in our agency are dedicated, efficient, and motivated. They are "rugged individualists," as they need to be in order to contend with the tremendous pressures that bombard today's federal supervisors.

But the job won't get done without a motivated, turned-on staff that responds to the direction of its supervisors. And we are just not doing enough to teach supervisors the skills they need to direct and stimulate employees toward goal achievement. It's time to face that fact and to get serious about taking some creative and dramatic action.

Motivators	Employees' Rating		Supervisors' Rating		Contrast
	Rank	Percent Selecting	Rank	Percent Selecting	Percentage Difference
1 The ratings on your next performance appraisal.	9	49	9	59	+10
2 Your possibility of an award.	16	32	14	37	+5
3 Your personal work-related goals.	4	83	5	72	−11
4 Good physical working conditions.	15	34	15	33	−1
5 Your feelings of loyalty and friendship for your supervisor.	18	18	16	31	+13
6 Your doing interesting work.	5	78	8	60	−18
7 The possibility of higher salary.	8	51	13	41	−10
8 Your not wanting to let the group down.	13	38	10	53	+15
9 Recognition by your peers.	12	40	2	79	+39
10 The possibility of promotion.	6	71	4	73	+2
11 Feelings of achievement from doing challenging work well.	1	96	6	69	−27
12 The possibility of disciplinary action by your supervisor.	20	3	17	23	+20
13 Being part of a team.	16	32	11	52	+20
14 Your inner need to always try to do a good job.	2	94	7	68	−26
15 Strong job security.	14	36	18	20	−16
16 Appreciation and recognition from your supervisor.	10	42	2	79	+37
17 Your doing work you feel is important.	3	88	1	81	−7
18 Your desire to help the agency attain its goals.	7	57	20	7	−50
19 The possibility of increased freedom on the job.	11	41	12	48	+7
20 Being appointed the leader of a work group.	19	10	19	11	+1

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No official support or endorsement by the Social Security Administration is intended or should be inferred.

HEW STUDY

PRESENTS OPTIONS ON POSSIBLE SOCIAL SECURITY COVERAGE

After over two years of study, a Department of Health, Education and Welfare report on extending Social Security coverage to employees of Federal, State and local governments and private, non-profit organizations was completed and submitted to Congress on March 24. The report did not take a stand on covering these currently exempt employees; it presented Congress with options for extending Social Security coverage to Federal employees by integrating the benefits provided by Social Security and the civil service retirement system. The study made available for the first time a wide body of information on the extent of current coverage under Social Security and other public pension programs, and identified certain gaps and overlaps which exist in benefits.

According to the report, 9 out of 10 American workers (some 100 million people) are covered under Social Security. Nine out of 10 employees of non-profit organizations are covered, as are 7 out of 10 State and local government employees. Nine out of 10 Federal government civilian employees, however, are not under Social Security. (Those covered are non-permanent employees.)

Employee and retiree organizations had anticipated that the report would make proposals which would be threatening to the existing civil service retirement system. Despite the report's tone, the groups indicated that they will continue lobbying efforts to retain the system as it is. Responding to such employee concerns, President Carter has announced his commitment to protect employees' rights under the current system:

"First, I would entertain no proposal that would reduce the benefits of persons already retired or employees eligible to retire. Nor would I entertain any proposal that does not assure the benefits of those who are now covered by the civil service retirement system.

"Second, I would insist that the civil service retirement system continue to operate as a separate, independently-funded system. The civil service retirement system will not be merged into Social Security, and the money in the fund must continue to be used exclusively to pay benefits to Federal employees, retirees, and their supervisors.

"Finally, all of us will need to examine carefully and thoughtfully the Study Group's report, . . . and you may be assured that this administration will reach no conclusion on the need for legislation until there has been a thorough and broad-based debate of alternatives."

The civil service retirement plan and the Social Security program developed independently, based on different philosophies. The civil service retirement system was established in 1920 as a comprehensive staff retirement plan for employees of the Federal government and the District of Columbia, with all benefits stemming from the employer-employee relationship between the United States and the employee. It was designed to encourage full Federal careers by providing retirement benefits directly related to an employee's salary and service. In order to be eligible for benefits, employees must meet both age and length-of-service requirements. Civil service pension income is taxable and is protected against inflation by cost-of-living adjustments. Income from other sources has no impact on civil service retirement benefits.

The Social Security program was established in 1935 as a social insurance system. Modified through the years, it currently provides old age (including dependents), survivors and disability insurance as well as Medicare to all insured workers. People drawing benefits while they (or the person on whose earnings their benefits are based) continue to work may have their benefits reduced, depending on the amount of current earnings. However, no test of an annuitant's assets

or other unearned income is involved. There is no Federal income tax on Social Security benefits, which are increased to keep pace with inflation.

While civil service retirement benefits are directly related to an annuitant's previous earnings, Social Security benefits are indirectly related. Social Security benefits are weighted heavily toward workers with dependents or persons with low average lifetime earnings because people in those groups cannot afford to take as significant a percentage reduction in income as single or higher paid workers can.

Other differences come in areas of retirement age and monthly benefits. A Federal employee can, in certain situations, retire as early as age 43 on a reduced pension; the earliest retirement age under Social Security is 62. Full retirement benefits can be paid under the civil service system at age 55, while the age for full retirement benefits under Social Security is 65. Social Security benefits can be withheld in various amounts if the recipient, though "retired," earns above a certain income level; civil service retirement benefits are unaffected by additional earned income. Federal employees do pay more into their retirement fund than Social Security requires. (It should be noted here that many private sector firms offer a retirement pension plan which retirees pay into and draw from in addition to their Social Security annuity, and that private sector employees who are not covered by company pension plans can provide for their own retirement through Keogh and Independent Retirement Annuity plans. In either case, income from pension plans would not affect the amount drawn from Social Security by an annuitant.)

Through the years there have been numerous proposals designed to protect the solvency of the Social Security fund. The early 1970's saw great concern that Social Security coffers would become depleted as the population paying into the fund decreased and ranks of retirees grew. In 1977, the House Ways and Means Committee proposed bringing Federal, State, and local government employees and employees of non-profit organizations under the Social Security system. (Congress, however, was not included in the proposal.) The House rejected the proposal. Instead, the Congress mandated the HEW study on whether it would be practical and desirable to extend Social Security coverage to groups covered in the Committee's original proposal.

Discussions over proposed changes are likely to continue for some time before a decision is made. The stakes are high. The HEW. study group estimated that making Social Security mandatory for all workers could reduce payroll taxes for those currently covered by $2 billion to $5 billion a year. The group added that as much might be saved without mandatory coverage if Congress eliminated the "windfall benefits" now possible. Such benefits occur because workers with low average lifetime earnings covered by Social Security are guaranteed weighted benefits, even though their major source of earnings was in a non-covered job. A Federal worker who retires at 53 and then meets minimum time requirements under Social Security automatically receives weighted Social Security benefits.

In sending the report to HEW Secretary Patricia Harris, Thomas Bartlett, a Boston attorney who chaired the study, said: "Those who are exempt from Social Security enjoy advantages that impose costs on the rest of the working population. In many cases, individuals in uncovered employment lose more than they gain from their exemption. . . . All things considered, the average uncovered worker would be as well off or better off if he or she participated in a more typical system in which Social Security and staff pension were combined." The report said that extension of Social Security coverage would be the most effective way to resolve the windfall issue and coverage gaps. As a possible option, the panel suggested extending coverage only to new employees or to a limited group of current employees—perhaps those who have worked less than 10 years or who are under age 45.

A combination "thrift plan" was another option proposed by the study panel. The coordinated Social Security and civil service retirement benefits under this program would be similar to those drawn now by employees under private sector pensions covered by Social Security as well. Under this plan, Federal employees would pay Social Security taxes and would also be covered by a pension plan to which they would not contribute. In addition, they could make contributions up to 6 percent of their salaries with the Government matching half of that amount. Under the thrift plan, employees with an average high-three salary of $20,000, retiring at age 55 with 30 years of service (and having paid in six percent), would receive additional thrift plan benefits of $4,400 a year for life; retiring at age 62, the employee would receive $5,200 annually. Survivors would get a lump sum payment of up to ten times the amount of the annual benefits, depending upon how much of the benefits had been drawn.

The report contends that such coordinated coverage would mean higher benefits for lower salaried employees and no reduction for higher salaried workers. New employees in higher grades would suffer a slight cut in benefits, however. It has been estimated that employees retiring at salaries of $25,000 or less would get slightly larger benefits under a coordinated system, while those with higher salaries would see reductions. By this estimate a 62-year-old federal employee, retiring at the $25,000 level after 40 years, would have an annuity of 71 percent of final pay. At the $10,000 level, the employee would get 78 percent of his final salary under the combined plan. At the $20,000 level, the annuity would be 73 percent of salary. Above the $30,000 level, the annuity would dip to 68 percent.

Nothing in the report suggests a merger between civil service retirement and Social Security trust funds. Nor should mandatory Social Security coverage be viewed as a method for bailing out the Social Security fund.

Still ahead are Congressional hearings on the study group's report. When the hearings begin their discussion of universal Social Security coverage, they will be taking on a subject that has been considered and rejected eight times since 1938.

Getting More Out of Word Processing

by Abby Rosenthal

When word processing equipment appeared on the market during the early 1960's, it was hailed as the key to increased office productivity. From 1969 to 1978 the Federal government purchased about $50 million and annually leased $67 million of word processing equipment. Too often the new equipment, haphazardly acquired and installed, failed to live up to its promise.

The effective integration of word processing technology into any organization takes care and foresight on the part of management. Even when the need for word processing equipment has been justified by a thorough cost/benefit analysis, managers may not make the best use of word processing capabilities. Recent studies call for improvement in three major areas of word processing management.

Project/Equipment Coordination

If word processors are part of your office equipment, it is important to understand, generally, how they work, what they can do, and how quickly they can do it. Observe your operators at work in various stages of document production. Compare word processing to ordinary typing and speed processes such as photo offset. Once you are familiar with the full spectrum of production processes, you will be able to select the one which best fits your project needs. Among the factors you should consider are speed, revision requirements, storage requirements, accuracy, document appearance, and cost.

According to most experts, word processing begins to pay off when 25% or more of a draft document needs to be changed. Lengthy reports, speeches, press releases and address lists, for example, might fall into this category. Word processing equipment also offers special advantages in that documents may be professionally formatted, easily stored, rapidly revised, and instantly recalled. Some word processing machines can insert addresses and salutations into a repeated text, thereby producing flawlessly personalized copies of the same letter.

On the other hand, short documents, where only one copy is needed, are most rapidly and cheaply produced on a self-correcting typewriter. Using word processing equipment for such documents is actually inefficient. Too many organizations fall into the trap of using word processing for all office typing.

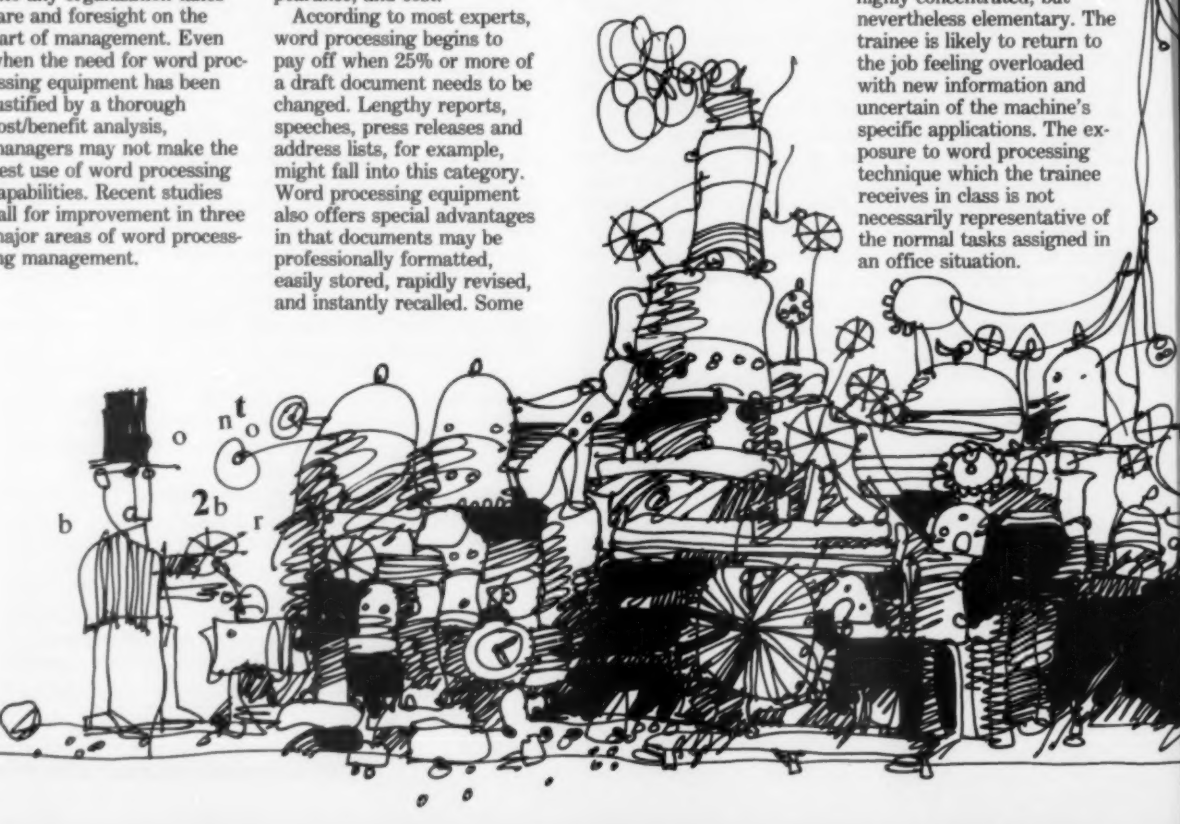
When a large job or a rush job comes your way, don't automatically turn to word processing. Consider the project requirements carefully and choose among *all* the production options at your disposal.

Operator Training

Too often word processing equipment is not used to full advantage because operators haven't received a proper follow-up to their initial training by the vendor of the machine.

Manufacturers of word processing equipment have the expertise and resources to create training environments which cannot be duplicated in a busy, relatively noisy office. As a result, vendor training is generally quite effective—as far as it goes. But it may not go as far as you think.

Most vendors supply up to about 15 hours of training in the basic systems operation of a particular word processing model. Such training is highly concentrated, but nevertheless elementary. The trainee is likely to return to the job feeling overloaded with new information and uncertain of the machine's specific applications. The exposure to word processing technique which the trainee receives in class is not necessarily representative of the normal tasks assigned in an office situation.



Vendor training is only the beginning of an on-the-job training period which will probably last several months until the operator hits his or her stride. During this period, managers can help operators consolidate their new skills.

The weeks immediately following training are the most crucial. Don't greet an operator fresh from training with a backlog of rush jobs which he or she isn't ready to tackle. Ease in. Be generous in allotting time for specific tasks. Keep the atmosphere relaxed. On the other hand, make sure that new word processing operators get the practice they need without delay. Don't distract them with too many unrelated tasks. Word processing operations mastered during intensive training are easily forgotten without prompt follow-up practice.

Check with your agency's personnel or training units to see whether they offer advanced or refresher training for operators. You might even consider a training course on word processing management for yourself. The Communications and Office Skills Training Center of the Office of Personnel Management offers several short courses on aspects of word processing. For more information, contact Joe L. Rubens, 308 Thomas Circle, 1121 Vermont Avenue, Washington, D.C. (FTS 632-6047).

Staff Morale

Word processing fiascos—and there have been many of them, even in well-run companies and organizations—are frequently personnel fiascos in disguise. Operators' morale and the conditions under which they work have a definite bearing on word processing productivity.

In the early days of word processing, it was common for managers to shift office typists and even personal secretaries into large centers devoted entirely to word processing. The results were often disastrous. Typically, job turnover soared, while productivity and morale plunged. The best operators were often the first to quit or transfer.

More research has been done on the efficient use of word processing equipment than on the equally important "people problem." This reflects the all too prevalent attitude that operators can be plugged into the system like interchangeable spare parts. Recently, however, the Working Conditions and Environment Department of the International Labour Office undertook a study which focused on operator attitudes. Researchers surveyed operators in large word processing centers, operators in smaller centers of no more than 6 employees, and secretaries with word processing equipment at their desks. They discovered that operators in large centers are the least happy with their work. Turnover in this group averaged 106% annually. Large center word processing operators complained vehemently about low status, lack of contact with supervisors, lack of positive feedback from word processing users, unfair negative feedback and not being consulted during organizational changes.

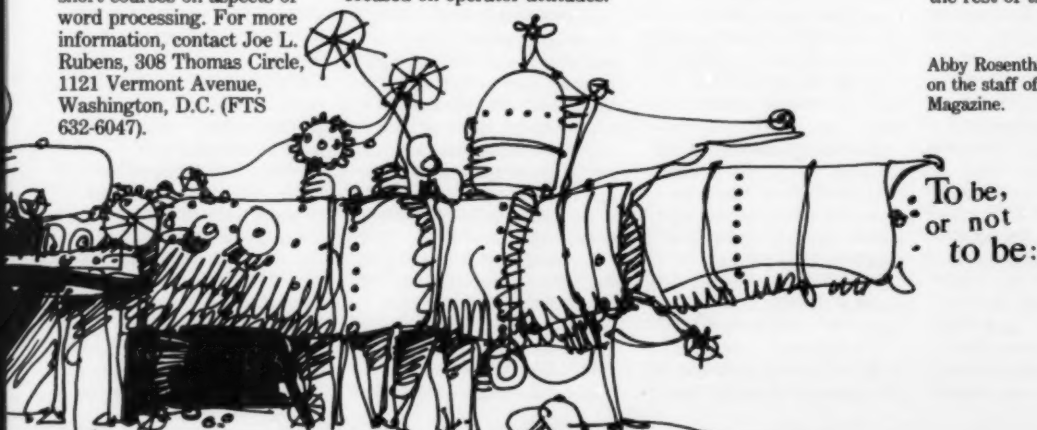
Although there is now some evidence that large word processing centers may not be as cost-efficient as once thought, the question of whether word processing equipment should be centralized or decentralized depends on a delicate balance of economic and organizational factors and cannot be resolved in the abstract. However, it is clear that word processing operators, due to their highly specialized function, require special attention from managers.

First and foremost, operators must be given a chance to talk to the people they work for. This may take a concerted effort if the operator is located in an isolated room or space. Supervisors should explain the nature and importance of assignments in terms of overall organization goals and solicit suggestions about how to accomplish word processing projects more effectively. If management wants to make changes in word processing routines, the operators should be informed ahead of time and allowed to express their opinions.

Feedback, especially positive feedback, is also extremely important. Make it prompt and personal. Criticism should be fully explained in terms of broad project requirements. Try to encourage operator self-criticism and even a degree of self-management.

Give some thought to your operators' work environment. Pleasant decor and decent lighting, acoustics and ventilation can make a world of difference to an operator's morale. And whenever possible, break down the physical barriers which separate word processing employees from the rest of the staff.

Abby Rosenthal is a writer/editor on the staff of *Management* Magazine.



Management: From Zero to Confusion in Six Thousand Years

by Ira A. Penn

When you study physics you learn that a body at rest stays at rest unless acted upon by an external force. And sure enough, that's what bodies at rest do. When you study botany you learn that by slicing across a tree branch you can discover the xylem and the phloem. If you slice one, there they are. When you study geometry you learn that in a right triangle the square of the hypotenuse is equal to the sum of the squares of the other two sides. Try it, and it works every time.

When you study management there are also certain rules and theories to learn. The difference between management and the aforementioned sciences is that most of management's theories are invalid.

There is a little known maxim that explains the invalidity of management principles. It is Heller's Law: *The first myth of management is that it exists.* At first Heller's Law may appear to be spurious, even heretical. Not so. For Heller, in one sentence, has consolidated the thinking of such great minds as Parkinson, Peter, and even Murphy.

When Parkinson and Peter authored their works, they published them as popular books. Both men knew what they were doing— they were making money. But, had "Parkinson's Law" and "The Peter Principle" been published as management texts, the authors could have been to management what Copernicus was to astronomy. For the management "science" which is taught and practiced today is like the Ptolemaic system of the second century. It sounds good; it just happens to be wrong.

Conventional management theories are invalid because they are based on the premise that people are always rational and logical, and will do the right thing. That premise, to put it mildly, is erroneous. Anyone reading this article can probably think of several generally accepted management principles which have proven to be totally absurd. To name a few: supervisors should "develop" their subordinates; employee appraisals should be fair; and authority should equal responsibility. While such Utopian delusions are fine for philosophical discussions, they are somewhat less than practical to implement. This small problem, however, is overlooked when the ideas are introduced. Management textbooks are not prefaced with the caveat, "This is a work of fiction. Nothing that follows is real."

Management techniques and methodologies, like management principles, are presented and treated as gospel. There is probably no other profession where fads are so readily embraced. Each new brainstorm is grasped with whole-hearted enthusiasm, be it management by objective, team building, or zero based budgeting.

Most likely, the reason for the blind acceptance of each new technique is that managers are fervently seeking something that works. The principles they live by and the methods they use do not produce the results they desire. To solve such a problem, a reasonable procedure would be to step back and try to assess the situation objectively and make adjustments as necessary. Unfortunately, introspection and self-assessment are rarely a part of the management game plan. And, when you're going down for the third time, you grab whatever life preserver is floating by.

The occupation of management is generally held in high esteem. I have never been able to figure out why: by the stroke of a pen, anybody can become a manager. Although, on occasion, you will encounter one who believes he is ruling by divine right, the fact remains that managers are appointed, not anointed. It has always struck me as one of the great anomalies of our time that a profession for which entire universities have been created, about which billions of words have been written, and in which academic degrees of all levels can be obtained, can be entered with no prior training or knowledge about the subject. That fact, alone, should cause people to question whether management, with its lofty principles and exotic techniques, is not just another suit of the Emperor's new clothes.

The more you delve into the situation, the more bizarre it becomes. It seems that a management education is not only unnecessary for someone who wants to be a manager, but it can actually be a disadvantage. The person who has no management training may at least have an open mind. The student of management, however, has the awesome burden of having to unlearn the principles and theories he was taught, which prove to be fallacious in practice.

Managers today are like the British troops during the Revolution. Confusion and frustration are the reigning emotions. To cope with this continuing state of uncertainty, the management community has invented the myth of management superiority. The day a person becomes a manager he is introduced to the myth, and from that time on, he is bombarded with distortions that would make a used-car salesman blanch.

Friday's average employee is told on Monday that as a manager he has the wisdom of Solomon and the power of Samson. He becomes as invulnerable as Achilles and as undisputed a leader as Alexander the Great. Heavy stuff! It takes a strong mind to reject it; indeed most minds cannot. The jump from serfdom to knighthood is too great for rational analysis to take place. Few managers realize, therefore, that 1) they were lucky, or 2) they were, perhaps, the best apple of a very bad crop. Convinced by other managers that he is a cut above the rest, the new manager quickly accepts the myth of superiority. Although he is not sure why, he knows that somehow he is "special." Being special, of course, he can no longer act as he did when he was not special. The secretary he used to kid around with is now seen as an appendage to the typewriter. The employees he used to have coffee with now seem to spend too much time on breaks. The supervisor he used to deride as a fool is now defended as a misunderstood peer. Only Dr. Jekyl had a more radical transformation!

The superiority myth can make managers arrogant, condescending, contemptuous, disdainful, and presumptuous—characteristics that are exact opposites of traits deemed desirable by management textbooks. Yet the same manager who has precipitously established himself as a demigod will look you squarely in the eye and swear that he lives by all of management's principles.

Thus far, we have prin-

ciples based on erroneous assumptions; we have superfluous techniques developed to overcome problems caused by invalid principles; and we have a myth which has been created to comfort those who become disoriented attempting to follow the principles and use the techniques. Could we ask for more? Yes! We have yet to deal with the biggest fiasco of all: the fact that management has become its own reason for being.

No one would dream of an organization without leaders; even B. F. Skinner's visions include persons who plan, organize, and make decisions. The alternative is chaos. But realistically, how many managers are really planning or organizing anything? How many are making any kind of substantive decisions? And how many are merely minor functionaries? Far too many managers, especially first-line supervisors and those in mid-level positions, have duties like those of a sheepdog out on the range. All they're doing is running around to make sure that the sheep don't wander off somewhere and get lost.

Now that function needs to be carried out. Goodness knows the shepherd would be in a bad way without his sheepdog. But the dog is not elevated to the status of assistant shepherd. I have seen first-line managers making nearly $35,000 a year who have the responsibility for ensuring that their employees don't come in too late, don't leave too early, and don't spend too much time at lunch. And that's it! That's their job! Their position descriptions don't say that, but that's the way it is. I have seen middle-managers paid upwards of $40,000 a year for relaying messages from top managers to first-line managers. And that's it! That's their job! (Their position descriptions don't read that way, either.)

Heller's Law:	The first myth of management is that it exists.
Parkinson's Law:	Work expands so as to fill the time available for its completion.
Peter Principle:	In a hierarchy, every employee tends to rise to his level of incompetence.
Murphy's Law:	1. Nothing is as easy as it looks. 2. Everything takes longer than you think. 3. If anything can go wrong, it will.
Ptolemaic System:	A theory systematized by the astronomer Ptolemy, according to which the earth was the center of the universe, with the heavenly bodies moving around it.
Copernican System:	A theory of Copernicus (1473-1543) that the planets revolve around the sun: basis of modern astronomy.

How can it happen that people making those salaries can be doing work that could be done by anyone who was not a hard-core unemployable? The answer is simple: it happens the same way a bank robbery happens when the robber uses a toy gun: the teller is too intimidated to ask any questions. The management fraternity has succeeded in building a facade so intimidating that most people never even think to look behind it to see what the supporting structure is like. No-job managers are there because management says they're supposed to be there. Management is the justification for managers. It is its own reason for being.

If I have dealt harshly with managers and management here, I do not apologize. It is necessary. As Plutarch wrote, "Medicine, to produce health, has to examine disease; and music, to create harmony, must investigate discord." There comes a point at which one must stand up and say, as Alice did to the Queen of Hearts, "Nonsense!" The world of management is a world where people hone their normally unnoticeable and blunt imperfections to a glistening sharp edge, all the while proclaiming that the imperfections are not there. We need organization, systematization, plans, procedures, and, most importantly, leadership. But we need these things to help us accomplish the ends we seek, not as ends themselves. When organizations exist to support managers instead of vice versa, and when the methods and techniques used to achieve goals become more important than the goals, failure is the only possible result. We are rapidly approaching that point. The management situation has gotten out of hand.

While there are no pat answers to the problems, I do not see them as unsolvable. With some basic changes in managerial philosophy, there can be hope for the future. First, pragmatism should be the underlying theme in all management study. Principles based on an idealistic concept of human nature are fine to contemplate, but they are irrelevant in the real world.

Second, the management community should stop the pretentiousness. Managers must accept the fact that there is nothing esoteric about what they do. Effective management results from applying common sense. The absence of mystery will not cause the function to be less important. On the contrary, common sense is in short supply; chicanery is not.

Third, managers should realize that methods and techniques are merely tools: they were developed by other persons, not handed down on Mount Sinai. When a tool doesn't work, (and sometimes it won't even when it's supposed to), another should be found.

Fourth, managers must abandon the concept of managerial superiority. The delusion that one has a "position" or a "station" is counterproductive: what a person has is a job. The manager has a job and the worker has a job. The only reason they are both employed is to get those jobs done.

Last, management must go on a diet. There are entirely too many managers in most organizations, and managerial fat slows down a workforce. It is demoralizing for workers to see figurehead or puppet managers who only exist to fill up the slots of an ill-conceived organization chart.

It has taken management thousands of years to evolve to its present state of confusion. And the situation may get worse before it gets better. Ultimately, however, things should improve: experience has shown that managers tend to act rationally . . . after all other possibilities have been exhausted.

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Manager's Reading Digest

Paralysis of Analysis

"Sound analysis is needed in any strategic plan," writes J. Quincy Hunsicker in the March 1980 issue of *Management Review.* "But conventional strategic planning approaches tend almost to substitute quantitative analysis for judgement and intuition."

Hunsicker is concerned that too great an emphasis on strategic planning and quantitative analysis may discourage managers from tackling problems creatively. Documenting his argument with examples from the business world, he points out that strategic planning is usually based on assumptions drawn from past experience and that these assumptions don't always hold true in a new situation. The manager who applies rigid strategic planning techniques without first reviewing the current situation for new trends and opportunities is guilty of a kind of tunnel vision. The results can be disastrous.

According to Hunsicker, every organization requires creative ideas from its managers. The trouble is that "the process of proposing a new idea, justifying it and defending it . . . is so intimidating that all but the most confident entrepreneurs are inclined to stick to less imaginative approaches that are easier to quantify and defend."

Hunsicker believes that in most cases quantitative analysis and strategic planning should be used to test, launch and document new ideas, rather than take the place of creative hunches, intuitions and seasoned judgements.

What Price Success?

Many people assume that the price up-and-coming managers pay for their professional standing is heavy in terms of personal and family happiness. But Fernando Bartolome and Paul A. Lee Evans, professors of organizational behavior at the European Institute of Business Administration, have examined the question more closely. In the March-April issue of the *Harvard Business Review,* Bartolome and Evans claim that managers can experience fulfilling private lives—*if* they are able to manage their careers to control negative emotional spillover into the private realm.

Spillover is what executives take home from the office, even when they're not carrying a brief case full of papers. Negative spillover usually shows up as fatigue or anxiety which quickly translates into withdrawn, aggressive or irritable behavior towards intimates.

Bartolome and Evans studied 2,000 male managers for nearly five years to see what caused spillover and how it might be controlled. The three main causes were identified as tension in a new job, lack of fit between the person and the job, and long-term career disappointments.

Individuals who cope well with these pressures—and therefore experience a minimum of negative spillover—use certain strategies to manage the emotional side of work. When settling into a new position, they realistically evaluate the stress involved and communicate their feelings and expectations to their families. The family can then pull together through hard times. The same managers are more likely to examine apparently attractive promotion opportunities for genuine personal job fit. When confronted with long-term career disappointments, they face their emotional reactions squarely and compensate for set-backs by either enriching their present job or developing new leisure activities.

It isn't easy, the authors believe, for managers to have the best of both the private and public worlds—but it can be done.

Appraising Poor Performance

Renewed government and private sector interest in performance appraisal has so far focused on improving appraisal *systems.* No one disputes the importance of this effort—but what about the human factor, the actual judgement that managers pass on subordinates?

In "Supervisors' Responses to Subordinate Poor Performance" (*Organizational Behavior and Human Performance,* February 1980), Terrence R. Mitchell and Robert E. Wood explore some of the tendencies managers exhibit when evaluating employees. Their research indicates that in attributing poor performance to either internal (i.e., the subordinate's lack of ability or effort) or external (beyond the subordinate's control) factors, supervisors are heavily influenced by both the subordinate's past work history and the seriousness of the consequences of poor performance. The better the employee's work record, the more likely the supervisor is to attribute failure to external causes. The more severe the consequences of poor performance, the more likely the supervisor is to hold the employee personally responsible and take appropriate punitive action. Mitchell and Wood also note that in general supervisors tend to blame individuals, rather than external factors, for poor performance.

The authors believe their data have practical implications for management. For one, they suggest that managers guard against over-attributing subordinates' behavior to internal causes. Second, they warn against being excessively influenced by the seriousness of the outcome of poor performance.

The authors' analysis suggests that when the outcome for poor performance is not serious, the supervisor is more likely to overlook the problem. This strategy can have poor results and is not an effective means of feedback. The conclusion: "To change behavior we must focus on the behavior, . . . not the outcome."

Who Will Manage Information?

Two groups of professionals are vying for the controlling piece of the information management pie, according to Dr. Harold T. Smith (*Management World,* March 1980). As offices become more automated, administrative managers face a challenge from technical professionals—specialists in word processing, records management, data processing, telecommunications, etc.—who have traditionally reported to them.

Dr. Smith believes that administrative managers are in a better position than specialists to supervise the automated offices of the future. He claims that administrative managers are not only "able to understand technology from a broad, conceptual point of view," but also "understand the people in the office . . . and know how to relate to and communicate with senior management."

One thing is certain: information managers of the future will have their work cut out for them. The efficient processing of information will be only a part of their job, as they turn more of their attention to anticipating organizational needs, promoting the use of estimates, and selecting and controlling information resources.

Please Fence Me In!

Open offices and classrooms have had their heyday—with mixed results. Proponents of open work space arrangements hypothesized that workers assigned repetitious or monotonous tasks—clerk/typists, for example—would appreciate the accessibility to coworkers which open offices provide.

This hypothesis has been undermined by a recent study entitled "Privacy at Work: Architectural Correlates of Job Satisfaction and Job Performance," which appeared in the March 1980 *Academy of Management Journal.* Eric Sundstrom, Robert E. Burt, and Douglas Kamp of the University of Tennessee at Knoxville found that employees in general, even those with the least complex jobs, not only prefer privacy in their work space, but actually perform better as well. They suggest that existing open plan offices would profit from "more provisions for privacy . . . such as room dividers, sound-absorbent partitions, and accoustically treated ceilings or walls."

What about the increased social contact which open space plans are supposed to offer? Sundstrom, Burt and Kamp claim that people value privacy over accessibility, no matter what kind of work they do. In fact, study participants liked spaces which were enclosed and virtually inaccessible, perhaps because they were able to spend more time at work and less time keeping up appearances. Not surprisingly, workers especially disliked working in full view of their supervisors.

The authors conclude that while architectural privacy is associated with decreased levels of noise, distraction, and crowding, it seems to have practically no correlation with social contact. Instead, "people actively maintain what for them is a desirable level of social contact." In other words, they visit.

You can judge a leader by the size of the problems he tackles —people nearly always pick a problem their own size, and ignore or leave to others the bigger or smaller ones.
Anthony Jay

Under carefully controlled conditions, organisms behave as they damn well please.
The Harvard Law of Animal Behavior

Removal of Non-Career Employees

The Supreme Court recently decided a case involving the removal of certain New York county employees based on their partisan political affiliation. Plaintiffs were assistant public defenders in Rockland County, New York, who were appointed by a Republican Public Defender and terminated upon the election of a Democrat as Public Defender. The Court found that these employees had been terminated *solely* because of their political beliefs.

In an earlier decision [*Elrod v. Burns*], the Supreme Court held that the First Amendment prohibits the discharge of non-confidential or non-policy-determining public employees based on political beliefs. Here, the Court found nothing in the duties of an assistant public defender which would justify conditioning employment on political affiliation. Rather, the Court cited the District Court's finding that assistant public defenders had "very limited, if any, responsibility" for managing the Public Defender's office or for implementing policy. Their primary responsibility was found to be the conduct of specific cases on behalf of their clients. According to the court, the proper standard to apply is whether the hiring authority can demonstrate that party affiliation is an appropriate requirement for the effective performance of the public office involved.

Although the *Branti* decision appears to have broadened *Elrod* by holding that employees in policy-determining or confidential positions cannot be terminated for political affiliation without a showing that party affiliation is essential to the performance of the job, it has not affected the right of a public employer to terminate confidential or policy-determining relationships for reasons other than political beliefs.

Termination due to lack of confidence in a predecessor's personal assistant does not penalize the employee for personal beliefs and therefore does not raise a constitutional issue. It is only when an employee suffers an adverse effect *solely* due to his or her political beliefs that a First Amendment issue is raised. As the Court noted, "to the extent that petitioner lacks confidence in the assistants he has inherited from the prior administration, he is, of course, free to discharge them."

Schedule C Positions

The Supreme Court's decision does not appear to affect Federal Schedule C positions which are correctly classified as "confidential or policy-determining." Employees in these jobs are not hired through competitive staffing and are not entitled to the statutory protections afforded to career employees or preference eligibles. Moreover, discharging these employees because of a lack of confidence in their ability to carry out policy directives would not give rise to a constitutional claim. Accordingly, where this confidential or policy-making relationship is destroyed these employees continue to be terminable at will.

A recent decision of the Court of Appeals for the District of Columbia Circuit in *Committee to Protect the First Amendment Rights of Employees of the Department of Agriculture* v. *Bergland* clearly supports this position. In *Committee*, the circuit court held that plaintiffs, despite being designated by the Civil Service Commission as Schedule A appointees, in reality held policy-determining positions and were therefore terminable at the will of the appointing authority. Although the court found that the positions were "policy-determining" and that the termination of the incumbents did not raise any constitutional issues, it also ruled that the incumbents were not, in fact, dismissed for partisan political reasons but rather to "enhance policy formulation and execution."

Non-Career SES Appointments

A slightly different question arises in considering non-career Senior Executive Service appointments. In these appointments the nature of the job does not determine the status of the employee. Rather the status rests with the individual and depends on the appointment procedures. Thus, non-career SES employees may hold any general position within SES.

In using a non-career appointment authority to fill an SES position the employer is determining that the position is by its very nature policy-making or confidential. Therefore there would be no constitutional bar to removing a non-career person in this type of position because of a lack of confidence or change in policy. The fact that Congress has chosen to provide some statutory protection to employees who are competitively selected for these positions should not affect the constitutionality of the removal of non-career employees. Further, if political affiliation is a valid criterion for continued employment for a specified job, an individual could be removed solely on the basis of political affiliation under *Branti*.

Branti v. *Finkel*, No. 78-1654 (March 31, 1980).

Substantial Evidence Standard Applies to Review of Within-Grade Decisions.

The Merit Systems Protection Board recently issued a decision addressing three issues of significant importance to government managers. The Board held that: 1) an agency decision denying a within-grade increase will be reviewed under the substantial evidence standard, rather than the higher preponderance of the evidence standard; 2) an agency decision will not be reversed because of potential error unless the error is raised by the employee and it is established that the error was likely to have affected the outcome of the case; and 3) the presiding official must review the entire record, including information developed at a hearing, in making his or her decision.

The facts arose from the following factual setting. The appellant had been denied a within-grade increase by his employing agency. He contested the negative determination through agency procedures, including reconsideration, without success and then appealed to an MSPB Field Office, where a hearing was held. The presiding official reversed the agency decision finding two instances of harmful procedural error. The first was that the agency had issued its negative determination too far in advance of the end of the waiting period (18 days before the end of the 104-week waiting period). The second error was the reconsideration official's failure to summarize the appellant's statements during his oral reply. The presiding official also found that the agency had not supported its negative determination by a "preponderance of the evidence."

The MSPB reopened this case and OPM intervened to address the questions of the proper burden of proof in within-grade cases and the scope of the "harmful error" doctrine. The first issue addressed by the Board was the proper burden of proof which an agency must meet to sustain its denial of a within-grade increase. The Civil Service Reform Act provides that actions based on unacceptable performance described in s4303 must be supported by substantial evidence. In all other cases, the preponderance of the evidence standard is applied. OPM argued that the lower substantial evidence standard should apply since within-grade determinations are clearly performance-based actions. Moreover, OPM believed it would be illogical to hold agencies to a higher standard of proof for within-grade decisions than for demotions or separations based on unacceptable performance.

The Board accepted this argument even though within-grade decisions are not made under s4303. Thus, the Board noted that this construction was more in harmony with the design and purpose of the statute since it would be anomalous to apply a higher burden of proof to the less severe action of denying a within-grade increase. The Board also held that an agency need not have an approved performance appraisal system for the substantial evidence standard to apply, as had been required in *Wells* v. *Harris*. The Board recognized that such a requirement would have the effect of applying the preponderance standard until an agency adopted an approved performance appraisal system and then reducing the standard to substantial evidence.

In discussing the meaning of the substantial evidence standard, the Board specifically stated that this test precludes a presiding official from substituting his or her own judgment for that of the agency. The presiding official must decide only whether, in light of all the relevant evidence, a reasonable person could agree with the agency's decision. Based on this portion of the decision, it is clear the Board will function as an administrative tribunal, rather than a "second-level manager."

The second issue before the Board was the meaning of the "harmful error" doctrine. According to the Board, a procedural error will result in reversal only where it is likely to affect the outcome of the case. Factors to consider in deciding whether a harmful error has occurred are: the closeness of the agency's decision, the nature of the issue affected by the error, and any step taken by the agency to mitigate the effect of the error. In this case, the Board found no showing that the procedural error identified by the presiding official affected the outcome of the case. Thus, it was sheer speculation that the issuance of the decision 18 days before the end of the waiting period had any effect on the agency's determination. Moreover, even if the agency's failure to prepare a written summary of the appellant's oral response could be considered an error, it was cured by the appellant's opportunity to present statements at the hearing.

The Board also held that ordinarily the appellant must allege the existence of a harmful procedural error. A presiding official could appropriately address an error on his or her own initiative only where the employee was unsophisticated and not represented by Counsel and where the error affects basic procedural rights and must be considered to avoid a manifest injustice.

Finally, the Board held that the presiding official should not confine his or her review to the record developed on the agency level. Rather, the entire record before the Board, including relevant evidence presented at the hearing, must be considered to determine if the agency has sustained its burden. This is particularly important since, as this decision illustrates, an error in the agency proceeding may be cured or rendered harmless at the hearing stage. *Parker* v. *Defense Logistics Agency*, MSPB Order No. 80-47 (February 19, 1980).

Short Takes

Coming Attraction: FTE/WY

Beginning in fiscal year 1982, government agencies will switch to the full-time equivalent work year (FTE/WY) method of personnel ceiling accounting, which has recently been tested by 5 agencies with positive results.

FTE/WY will replace the numerical end of year personnel ceilings which have been used to control the size of the Federal workforce since the 1940's. In some agencies, end of year personnel ceilings have been viewed as a once-a-year limitation which could be met by separating temporary employees and laying off part-time workers during the last week of the fiscal year.

The new system, will assign to each agency two employment ceilings, one based on the maximum cumulative number of hours for full-time permanent employees and the other on the maximum cumulative number of hours for all employees subject to ceilings. Regular hours worked in the agency during a given year are deducted from one of these accounts.

FTE/WY grew out of a 1977 Presidential directive calling for a new ceiling system which would break down barriers that inhibit the employment of part-timers and discourage end of year lay-offs and severances. Agencies which have been testing FTE/WY have already substantially increased the number of permanent part-timers within their ranks.

New Federal Campaign Guidelines

New rules were recently issued by the Office of Personnel Management to govern the Combined Federal Campaign, the Federal government's annual charity drive, which last year raised $82 million in contributions.

In drawing up the new fundraising guidelines, OPM considered more than 3,000 comments from national and local voluntary agencies and groups, Federal Executive Boards, Federal employees, Federal employee unions and private citizens, as well as recommendations from the Subcommittee on Civil Service of the House Post Office and Civil Service Committee.

The guidelines include the following changes:

- *Prohibition of coercive fundraising practices, such as solicitation of employees by their supervisors; setting 100% participation goals; inappropriate uses of contributors lists, keeping noncontributors lists, and establishing dollar goals or quotas.*
- *Creation of a new National Services Agencies grouping to include national voluntary organizations that have a domestic welfare function. (Other groupings are National Health Agencies, International Service Agencies, Red Cross, and United Way.)*
- *Revision of eligibility criteria for national voluntary organizations to permit broader participation in CFC, including relaxing the 25% limitation on administrative and fundraising expenses in such special cases as newly established agencies.*
- *Expansion of participation by voluntary organizations at the local level by allowing local charities that are not United Way members to apply to the local Federal coordinating group.*
- *Revision of the campaign funds distribution formula so that designated gifts will be channeled to the specified agency and undesignated gifts will be divided among major participating voluntary groups in the same proportion as each group's average share of undesignated contributions over the last five campaigns.*
- *Provision of more detailed information to employees about participating charities and CFC past and present procedure.*
- *Mandatory employee union representatives on local Federal Coordinating Committees.*

Women, Work and Heart Disease

Women who work are *not* more susceptible to heart disease than housewives, according to a study conducted by the National Heart, Lung and Blood Institute of the National Institutes of Health.

Researchers had expected that the incidence of coronary heart disease in working women would approach that in men, since both groups were subject to the same on-the-job pressures. Men have traditionally suffered from a higher rate of heart disease than women, and this was thought to be the result of job stress.

The NIH study involved 352 housewives, 387 working women, and 580 working men. Although working women in general reported more daily stress and marital dissatisfaction than either housewives or men, the lowest rate of coronary heart disease was found among single working women. Certain work conditions, however, can substantially increase the risk a woman runs. Women in clerical occupations had nearly double the incidence of coronary heart disease that housewives had, particularly if they were experiencing hostility, lack of job mobility, or a non-supportive boss. Rates were also higher for working women who were or ever had been married, and higher still for women with three or more children. A woman in a clerical position who is married to a blue collar worker and who has children runs a 21.3% greater risk of developing coronary heart disease than other women.

Union Representation Grows

The number of Federal employees represented by unions, exclusive of the Postal Service, reached an all-time high of 1,238,669 last year.

The figure represents 60 percent of the workforce in the year ending November 30, 1979, up from 58 percent in 1977.

The number of employees covered by negotiated agreements also increased last year to 1,141,504, a jump of 21,178 from the previous year.

More Managers Hit the Books

Just because you're a 40 year old mid-career executive doesn't mean your school days are over. According to the *Wall Street Journal*, nearly 500,000 American managers a year are now taking formal management education courses to beef up their chances for promotion in an increasingly competitive job market. And more often than not, they do so with the full blessing—or even with a push—from their companies. In fact, a growing number of companies are developing in-house management training courses of their own.

Although some critics claim that management training courses cost too much and accomplish too little, the response from students is generally positive. A recent survey of participants in courses sponsored by the American Management Association reveals that 64% rated the courses as "excellent" and 31% as "good."

However, "Let the buyer beware" is still a good maxim to follow when looking into management training opportunities.

The trend to formal training in the private sector parallels the Federal government's recent efforts to incorporate formal training requirements into the executive training feeder program for the Senior Executive Service.

Productivity: A Dissenting View

To many observers, decreasing productivity is the most prominent specter haunting the American economy today. Some analysts blame declining productivity rates on changes in worker attitudes, the rising number of so-called inexperienced workers entering the labor force under government equal opportunity regulations, the diversion of industry resources into expensive anti-pollution and safety devices, and the rising cost of petroleum.

Michael Harrington, national chairman of the Democratic Socialist Organizing Committee and well-known commentator on American economic and political policy, thinks we should reexamine our assumptions about productivity. In the *New York Times* (March 21, 1980), Harrington suggests that a major reason for rapid increases in productivity in the past was the transfer of labor from agriculture to industry. "The end of that historic trend," he writes, "accounts for more of the decline in productivity than costs imposed by the Organization of Petroleum Exporting Countries."

Harrington doesn't subscribe to the theory that inexperienced workers, many of them women and members of minorities, are depressing national productivity. He believes that in most cases the job "determines the productivity of the worker, not the other way around." He is also critical of a value system which pits worker or environmental safety against productivity. Above all, he is concerned that the conventional wisdom about productivity isn't wisdom at all, but will instead hamper us in our efforts to stimulate our flagging economy.

Visiting Administrators Program

The American Council on Education, with the cooperation of the U.S. Office of Education and the Office of Personnel Management, has announced a new exchange program for senior managers from agencies and from colleges and universities. The program has as its goal the improvement of understanding and cooperation between government and higher education.

Participants in the Visiting Administrators Program are assigned for 3-month periods to management positions either on campuses across the nation or in Federal agencies. This year's participants from higher education have assignments in the Department of Labor, the Department of Health, Education and Welfare, and the National Aeronautics and Space Administration, with responsibilities ranging from program review to policy analysis. Federal participants have been assigned to Colorado State College, where they are involved in long-range planning, personnel system review and program review.

Federal employees at the GS-15 level and above are eligible for this program. Agencies may nominate one of their administrators, volunteer to receive one, or both. Information on next year's program can be secured from Dr. John B. Bennett at the American Council on Education, One Dupont Circle, Washington, D.C. 20036.

GAO Gives OPM the OK

OPM has made good progress in the first year of Civil Service reform, according to Comptroller General Elmer T. Staats in a recent General Accounting Office *Report to the Congress*. OPM was praised for issuing guidelines and regulations on major reforms, establishing extensive education and information programs, developing evaluation methods to measure future progress, and promoting productivity and better management throughout the Federal government.

Because Civil Service reform is only a year old, GAO declined to make specific recommendations at this time, but did point to several areas of concern. Among these was pay compression for members of the Senior Executive Service, which both GAO and OPM fear may undermine incentives to join the SES.

There is some disagreement between OPM and GAO on the issue of decentralization of personnel management authority. The GAO report implied that OPM should be more directly involved in the administration of such areas as grade and pay retention. But, according to OPM Director Alan K. Campbell, "It is OPM's philosophy that a clear distinction must be made between our legitimate role to implement and enforce civil service laws and regulations and the responsibility of Federal Departments and agencies to manage their own programs and employees." Campbell points out that the clear intent of the Civil Service Reform Act is to encourage decentralization of personnel management authority to as close to the operating managerial level as is practicable.

GAO also expressed concern about possible lack of selectivity in agency early retirement authorizations and lack of agency progress in complying with OPM's Equal Opportunity Recruitment regulations. Furthermore, the report questioned whether the time frame established by the Civil Service Reform Act for implementing performance appraisal and merit pay systems was adequate for full development and testing.

Status and Staff Cuts

Some Federal managers hesitate to make needed reductions in the number of employees they supervise for fear that their own positions will be downgraded as a result.

According to Jule M. Sugarman, OPM Deputy Director, such fears are groundless. In a recent memo and accompanying FPM bulletin addressed to assistant secretaries for administration, Sugarman notes that the size of the work force supervised is only one of many factors used in classifying supervisory positions. Consideration must also be given to the complexity and scope of supervisory duties, the supervisor's level of responsibility, and the nature and difficulty of the work supervised.

The ultimate reassurance: Section 5106, Title V of the U.S. Code specifically prohibits the classification of a supervisory position based solely on the size of the organizational unit.

Legislation

Several legislative proposals of interest to Federal employees are pending before the Congress.

Life Insurance Improvements

A revised proposal to make improvements in the Federal Employees Group Life Insurance Program has been sent to the Congress by the Office of Personnel Management. Like an earlier proposal (H. R. 3448), the new bill will redesign the benefit structure to (1) authorize two new employee-pay-all options providing additional life insurance on employees and flat amounts of life insurance on family members; (2) modify the schedule of regular benefits to afford greater protection to young employees; and (3) require that insured employees continue paying premiums for unreduced regular coverage until age 65.

COLA Annualization

The Congress was expected to act, by late June, on a proposal to change cost-of-living adjustments in the civil service retirement system. The proposed change would require adjustments annually rather than on the current twice-yearly schedule. OPM estimates savings of $640.4 million will result from passage of the proposal, which would remove the advantages of retiring just before a new cost of living increase goes into effect. The proposal had widespread support, and both House and Senate budget committees had recommended passage.

Experts and Consultants

Today there are over 60 permanent statutory authorities for individual agencies to use experts and consultants while other restrictions are added each year in appropriation acts. Some permit renewal of appointments; others do not. Daily pay rates vary, ranging from some as low as $50 to a few above the GS-18 rate. A current proposal would clarify the law by making consultant services solely a personnel appointing authority and eliminating any connection with procurement and contracting; by removing outdated pay rates for certain agencies and occupations; and by adding definitions of "experts" and "consultants" for clarification.

Compensation

Appearing in Atlanta before the House Subcommittee on Compensation and Employee Benefits at the first field hearing on pay reform, Director Alan K. Campbell reiterated OPM's support for H. R. 4477, the Federal Employees Compensation Reform Act. "The purpose of H. R. 4477 is to strengthen the principle that the compensation of Federal employees should be comparable to the compensation received by non-Federal workers in similar jobs," Campbell testified. The bill would accomplish this by: broadening the principle of comparability to encompass both pay and benefits; including State and local governments in surveys on which Federal compensation is based; compensating white collar employees through a system reflecting local pay differences; and amending Federal blue collar compensation practices to make them consistent with local prevailing rates and practices.

Retirement Claims

In a separate hearing of the House Subcommittee on Compensation and Employee Benefits, OPM Associate Director for Compensation Gary Nelson described progress made in lessening delays in processing annuity claims under the civil service retirement system. "The problems we now encounter reflect long-standing and deep-rooted deficiencies in our approach to managing and processing retirement workloads," Nelson reported. "Occasional periods of high backlogs and accompanying processing delays have plagued this program for years and, while it is essential that we deal with those situations when they arise, it is equally important that we attack the underlying causes that bring us these periodic crises . . . Our present actions both respond to the immediate problem and set us on the road to a well-reasoned, long-term strategy to resolve some fundamental problems."

Labor/Management

The House Subcommittee on Civil Service recently held hearings on implementation of Title VII, the labor—management relations provisions of the Civil Service Reform Act. Citing the progress made in implementing Title VII, OPM Director Campbell noted that "Unions and Federal Agencies have opened a productive, continuing dialogue on issues of mutual concern."

"At the same time," he continued, "the third-party machinery established under CSRA to administer Title VII has been implemented, providing a credible forum for the parties to use when they cannot resolve their differences bilaterally." The labor-management testimony came in the second of a series of general oversight hearings on implementing the Civil Service Reform Act. The first hearings addressed the effectiveness of and protections for whistle blowers. Another series was conducted to focus on performance appraisal systems.

Information on legislation of interest to managers and supervisors is prepared by the Office of Congressional Relations, OPM.

Technician or Manager?

Louis B. Lundborg

Q. What can a middle manager do to raise his chances of advancing to a high position (e.g., plant manager) when upper management puts excessive value on administrative ability, overlooking the need for technical competence? Or am I wasting my time even thinking about it? E.A.J.

A. You are not wasting your time if you *really* think about it—and then do something about it. The first question for you to think through is whether your upper-management people are not right in putting a high value on administrative and executive ability when they are considering candidates for higher managerial jobs. They know that the job of the manager is to manage—not just to do things himself, but to get things done. That means getting things done through other people.

Your top people may appreciate technical competence more than you realize, but they don't confuse it with managerial competence, which is a different animal. The same person may happen to have both, and certainly the technician can learn to improve his managerial skills if he has a genuine interest in doing so. If he hasn't, it could be a disservice to him as well as to the company to promote him to a managerial position *only* as a reward for his technical contributions. A lot of what we ascribe to the Peter Principle results from that kind of rewarding.

The next question you should ask yourself is whether you have ever shown managerial ability, and if not, whether you are willing to do what is necessary to acquire it. Managing is a learned skill. Some have a more natural aptitude and learn more easily than others, but everyone can improve his skills by effort and application.

While you are learning you will need to factor in another ingredient that is one of the key differences between a technician and a manager: perspective. The very nature of the technician's job usually demands that he focus on one problem at a time, and even one small piece of the problem. He is dealing with one piece of the jigsaw puzzle. The manager's job requires him to be constantly aware of all the pieces of the puzzle—to see that they all fit together at the right time and in the right sequence. Both of these are valuable and essential functions in a company's operation; they just involve a different perspective.

Again, there is nothing about the managerial prespective that cannot be learned. But you first need to ask yourself if your years as a technical expert have not developed such a habit of using a peep-sight focus on technical details that you will have a difficult time, at first, maintaining your peripheral vision to see things whole.

Ask yourself if you really want to make the change. Many people who are called managers, and should be spending 90% of their time on management work, just won't let go of the technical work. They feel more comfortable doing the familiar technical job, and hands-on work is often more fun. So they make all kinds of excuses—the pressure of deadlines, a shortage of experienced personnel—for not delegating the technical work as completely as they should.

It is a universal enough tendency that Louis A. Allen, consultant and lecturer on management development, has coined "The Principle of Technical Priority" to explain why managers often find themselves buried under work other people should be doing. His principle provides that "When called upon to perform both management work and technical work during the same period, managers tend to give priority to technical work."

Perhaps your top-management people have observed you yielding to that temptation. If you want to move out of the technician's into the manager's role, you must reorient, regroove and retrain yourself. You can start right where you are, because I gather that you are a manager of a group of technicians. Let your senior management people see you *managing* members of your group—developing *their* skills, getting the most and best work out of *them*—instead of seeing you demonstrating your own "technical competence."

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Louis B. Lundborg is the retired chairman of the Bank of America, San Francisco.

State & Local Notes

State Update

Arizona: The Governor has formed a blue-ribbon Commission on Merit System Reform to improve the state personnel management system. Under investigation: organization and use of personnel resources, conflicts between statutes and personnel regulations, authorization and administration of "exempt" positions, performance evaluation and compensation, compliance with Federal standards and problem solving procedure . . . ***Arkansas:*** The Executive Committee of the Personnel Management Improvement Task Force has recommended the creation of a State Personnel Board to assume personnel management functions now divided among the State Department of Finance and Administration, the Legislative Personnel Committee, and the Arkansas Merit System Council . . . ***California:*** The State Personnel Board will develop a comprehensive employee appraisal system. As recommended by the "Little Hoover" Commission, the Governor has proposed a new State agency, the Office of Personnel Administration, consolidating personnel management duties now divided among six state agencies . . . ***Florida:*** the Senior Management Advisory Committee has drafted a report recommending establishment of a Senior Management Group (SMG) comparable to the Federal Senior Executive Service. The draft report suggests limiting SMG to "exempt" managerial/executive positions, providing augmented pay and benefit opportunities to SMG members, and basing performance appraisals on success in achieving agency goals . . . ***Georgia:*** This year's legislative package is expected to include proposals for establishing a Career Executive Service. The State is also pilot testing a performance appraisal system based on performance of critical job elements . . . ***Kentucky:*** The State Department of Personnel has prepared video tape examinations in four job classes for hearing impaired applicants . . . ***Louisiana:*** The Department of State Civil Service has established a Management Intern Program allowing agencies to appoint Master's degree graduates in management, business administration and public administration to positions designed to use their special skills. Also, under a new Senior Executive Exchange Program, members of the State career (classified) service can take leave without pay to accept appointments in the unclassified service . . . ***Michigan:*** The State is considering the establishment of a Classified Executive Service (CES) limited to managers who have impact on policy. High mobility and limited appointment tenure would be balanced by career development opportunities and greater compensation . . . ***Mississippi:*** The Governor has replaced the State Classification Commission with a State Personnel Board, creating Mississippi's first statewide personnel system . . . ***Nevada:*** The University of Reno will assess training needs for executives and managers in State service with a new curriculum to be based on results . . . ***New York:*** In his "State of the State" message, the Governor outlined an omnibus Civil Service Reform bill to be submitted to the State legislature. Included are reform of certification procedures, the creation of a "career executive service," and the merging of the Office of Employee Relations with the Department of Civil Service to create a Department of Personnel Services . . . ***Oregon:*** New State legislation 1) protects whistleblowers from disciplinary action or separation; 2) delegates a variety of personnel functions (recruitment, selection, promotion, training, and classification, etc.) from the Personnel Division to operating agencies, subject to post-audit review; 3) creates a Division of Labor Relations; and 4) removes all State agency employees in certified or recognized bargaining units from merit system coverage, except for recruitment and selection for initial appointment to State service . . . ***South Carolina:*** The State is developing a job-related performance appraisal system. . . . ***Tennessee:*** The State is overhauling its employee performance evaluation system. The goal: to enhance employee productivity and job satisfaction . . . ***Utah:*** The Governor has proposed a new State government pay system. Salary ranges would match the ranges for comparable positions in private industry, with "fair market value" set at the mid-point of the salary range. Increases above "fair market value" would be for meritorious service . . . ***Washington:*** Legislators have passed a career executive program intended to attract and retain highly qualified executives, provide career development opportunities for outstanding employees, and provide for mobility of employees among State agencies.

Local Update

Contra Costa County, CA: A Civil Service Reform Task Force is investigating reform of the county civil service system. Recent recommendation: incorporation of several features of the Federal Civil Service Reform Act, including separation of personnel management functions from "watchdog" and employee appeals functions . . . ***Dallas, TX:*** After losing $4.7 million in 1978 through absenteeism, an experimental productivity program offers employees three days off with pay for a year of perfect attendance. Employees who miss one day a year get two days off, and those who miss two days a year get one day off. The program will be evaluated after a year's trial . . . ***Greensboro, NC:*** The city's merit pay system bases advancement through pay range on performance only. A comprehensive annual pay survey and periodic limited surveys will ensure that pay raises are competitive . . . ***Omaha, NB:*** The Mayor's "blue ribbon" task force of community private industry leaders will review current state personnel regulations . . . ***San Francisco, CA:*** The City and County government and Local 400 of the Service Employees International Union, AFL-CIO, will establish joint labor-management committees to change work organization and procedures.

State and Local Notes is prepared by William A. Chadwick, Intergovernmental Personnel Programs, OPM.

After/Words

THE NO NEWS DEPARTMENT

Note: Good news is no news. The day-to-day accomplishments of government simply going about its business of serving the people are rarely heard: scandals, mismanagement and bungling make much more interesting copy. The No News Department will report the unexceptional good news of achievement in government. We invite your contributions.

Industrial waste and pollution control, product design safety standards, and workplace safety programs admittedly involve costs to industry which are passed on to the consumer. But the long-range concern is whether we receive enough benefits, monetary and otherwise, from regulation to justify the expense.

The Center for Policy Alternatives at the Massachusetts Institute of Technology has prepared a report for the Senate Committee on Governmental Affairs which characterizes the benefits of Federal environmental, health and safety regulations as "substantial" and, wherever possible, estimates savings to the public in dollars and cents. The monetary savings are impressive. However, they do not even begin to reflect the value of benefits that can't be measured: the preservation of human life, health, and the overall well-being of the American people.

Thanks to Federal regulation of air and water, this country enjoyed savings estimated in the range of $7.5 to $68 billion per year. These include reduced mortality from respiratory and water-carried diseases, reduced health costs, increased property values, and increased recreational use of land and waterways. In New Jersey alone an estimated 2,072 deaths have been prevented by reducing sulfur dioxide and particulates in the air.

Federal regulatory agencies like the Occupational Safety and Health Administration may come in for more than their share of criticism, but the fact remains that in both 1974 and 1975 OSHA regulation is estimated to have prevented between 40,000 and 60,000 accidents and up to 350 deaths. OSHA efforts to reduce worker exposure to asbestos are expected to save 630 to 2,000 lives annually from lung cancer and asbestosis.

MIT researchers calculate that 28,000 lives were saved from 1966 to 1974 due to motor vehicle occupant protection standards. Seat belts have reduced injuries in car accidents by an estimated 34%, despite low use rates. Child-resistant drug packaging rules have prevented an estimated 34,000 cases of accidental poisoning, while the frequency of death and serious burns to children was reduced by 20% in 1975 alone, following the implementation of fabric flammability standards.

The report stands as quiet testimony to the effectiveness of the Federal workforce. While deaths, accidents, and misfortunes which haven't occurred aren't likely to put us in the headlines, this kind of "no news" is very good news indeed.

LETTERS WE WISH WE'D RECEIVED

The following note was written by an employee to a supervisor (who wishes to remain anonymous) as the employee was moving to another assignment. It appears here as food for thought.

You have had a pivotal impact on my career and personal development. This impact occurred in many ways. You allowed me the opportunity to articulate and express my views, not only on office matters, but on many topics: government, public administration, and management. These are subjects that I'm interested in, but outside school had no opportunity to discuss substantively. You conveyed the impression that my views were equal to yours—that's important to me. You provided the opportunities for exposure to different subjects, writers, theories—this contributed to personal growth which, without your influence, would less likely have occurred. You encouraged me to think skeptically, to consider other points of view, to organize and to problem-solve. I always felt that I could talk to you on issues and matters, regardless of hierarchy—that often was important, also. I appreciate the assistance that you gave me for development. I learned a good deal. I am fortunate to have worked for you.

THE PETER'S PEOPLE AWARD

Your magazine, **Management**, is first rate. Certificate (the Peter's People Award for Competence) enclosed. The practical approach is what I have been pushing for years.

Laurence J. Peter
Author, The Peter Principle
Palos Verdes, CA

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Since FPM Bulletifis are normally distributed to offices of Federal Directors of Personnel, you may want to contact that office in your agency to express your desire to get copies through the rider bulletin method.

Orders should be placed through your agency's printing procurement office. That office should submit a Standard Form 1 requisition to the Government Printing Office, requesting to ride OPM's printing requisition 80-35 to obtain the number of subscriptions desired and specifying addresses to which distribution should be made.

If you did not receive a copy of the FPM Rider Bulletin in January, call us (202-632-4400) and we will send you one. Thank you for your interest in **Management**.